



# Cost Recovery, Resource Allocation and Revenue Enhancement Study

**DRAFT FINAL REPORT**

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## Chapter One EXECUTIVE SUMMARY

### 1.1 INTRODUCTION

In 2014, Chula Vista Recreation Department (“Department”) undertook a cost recovery, resource allocation and revenue enhancement study. The Recreation Department has an existing fee schedule in place and the study sought to update the fees and charges through a policy and philosophy based approach. This would help to establish a consistent and defensible mechanism to classify offerings based on benefits received by individual users and the community at large.



The objective of this plan is not to become a procedural manual or provide recommendations set in stone but rather to serve as a dynamic tool and a philosophical guide to help the staff continue to update procedures associated with cost recovery and pricing. This study is intended to serve as a framework for how the pricing policy will continue to evolve in the future. The alternative pricing strategies and revenue generation resources are suggestions based on successful examples implemented by other park and recreation systems and which the staff indicated they would be interested in pursuing.

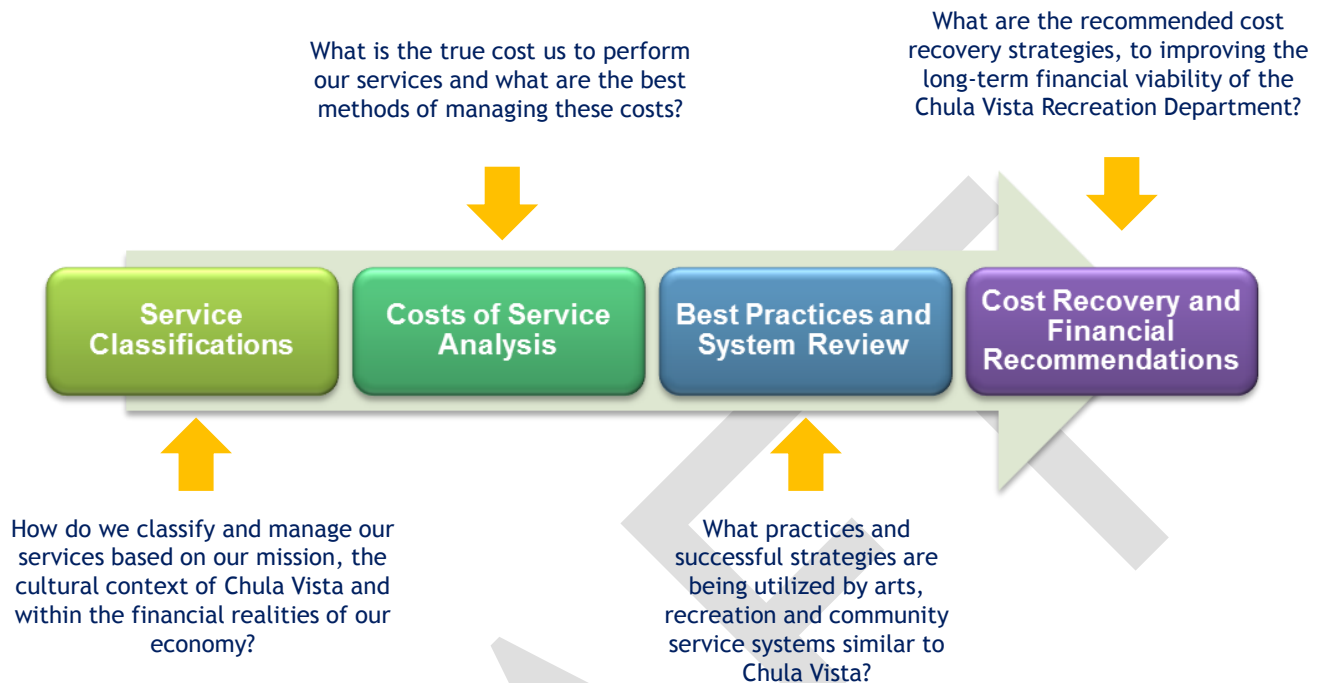
PROS Consulting Inc. a management consulting firm located in Indianapolis, IN, which specializes in the parks and recreation industry, has partnered with the Recreation Department, the Public Works Department and city staff in this planning process which included the following steps:

1. Conduct meetings with staff, elected officials and commission members on issues concerning the plan.
2. Benchmark fees and charges and pricing practices with those of other park and recreation agencies.
3. Develop a cost of service model to identify true costs for all offerings.
4. Recommend service classifications for each program as one of the following: core essential, important or value added.
5. Develop cost recovery and policy recommendations based on the service classifications.





## 1.2 PROJECT PROCESS



## 1.3 KEY RECOMMENDATIONS

These recommendations are guidelines for the city leadership and the Recreation department to follow. It is important to keep a flexible approach as it applies to implementation of the recommendations. Consistent measurement and tracking as well as on-going communication with the community will be critical to ensure buy-in for the process.

The recommendations are based on the following:

- Community input from public meetings
- 1200+ online and print survey responses in English and Spanish obtained from every recreation facility
- Comparable information from benchmarked sources
- Available direct, indirect and overhead cost data supplemented by staff assumptions
- Parks and Recreation Commission input
- Iterative staff feedback across multiple City departments
- Consultant's operational experiences and nationwide best practices

## 1.4 RECOMMENDATION #1- INCORPORATE PROGRAM BASED PRICING PHILOSOPHY BASED ON EXCLUSIVITY AND LEVELS OF BENEFIT

It is recommended City leadership to adopt pricing philosophy based on **exclusivity** and **levels of individual versus community benefit**. The staff has already developed a comprehensive program classification matrix that categorizes all current offerings in one of the three categories based on the above mentioned variables.

- This philosophy ensures core programs have highest level of general fund subsidy while value-added programs have lowest level of general fund subsidy and proposed the following range of cost recovery goals for the program areas that fall in each category.



- Core Programs (0% - 30% cost recovery)
- Important Programs (31% - 70% cost recovery)
- Value-Added Programs (71% - 100% cost recovery)

### 1.5 RECOMMENDATION #2 – OFFER BASE PRICES AND RESIDENT DISCOUNTS

Create a base fee structure for all offerings and rentals with Discounts for residents and non-profits in Chula Vista. Thus, the Recreation Department and Public Works Department (charges for picnic shelters) would institute a higher base fee for offerings and services but residents (upon proving proof of residency and non-profit tax ID) would get a resident discount. See below for the definitions of those terms.

Fee Terminology	
<b>Resident</b>	Resides within City of Chula Vista and other zip code specific groups (e.g. Bonita)
<b>Non-Profit</b>	Organizations based in Chula Vista (not just PO Box). "Nonprofit organization" means an organization organized or incorporated for educational, civic, charitable, religious or cultural purposes, having a bona fide membership, when proceeds, if any, arising from its activities are used for the purposes of such organization and may not be used for the individual benefit of the membership of such organization.
Groups are required to submit form with State of California Non-profit Tax ID number	

Also, update the City's Master Fee Schedule to include only facility, field and park rentals and eliminate program fees from the fee schedule to ensure a consistent approach e.g. Aquatics program fees are the only ones currently included in the fee schedule while all other programs are not.



## 1.6 RECOMMENDATION #3 – DIFFERENTIAL PRICING FOR PRIME TIME / NON-PRIME TIME

Establish differential and tiered pricing structures for all offerings. First component of this should be pricing based on timing e.g. time of day, weekday versus weekend and regular weekends versus holiday weekends.

This is an established practice in the all walks of life be it travel or events and even the public sector, especially golf courses routinely implement this as it applies to twilight or late evening hours versus regular day time hours. It is a great way to manage facility capacity utilization and provide incentives for people who have flexibility in times to access facilities, programs or rentals when they are typically underutilized.

The chart here depicts the established prime times (peak) and non-prime times (non-peak) by core categories.

	<b>Super Prime Time (Prime Time + 25% )</b>	<b>Prime Time</b>	<b>Non-Prime Time</b>
<b>Facilities</b>	Holiday Weekends	5pm – close (Mon – Fri) / Saturday all day	M-F during the day Sunday all day
<b>Pools</b>	Holiday Weekends	Before 9am and 5pm – close (Mon – Fri) / Saturday all day	M-F during the day Sunday all day
<b>Picnic Shelters</b>	Holiday Weekends	Weekend (Fri-Sun)	Weekday (M-Th)
<b>Fields</b>	Holiday Weekends	5pm – close (Mon-Fri) / Weekends	M-F during the day

### Fee Tiers

Based on the resident discount and prime time versus non-prime time, the consulting team and staff determined the following approach towards tiered fees and charges as well as resident discounts.

#### Fee Tiers (Programs)

Base Fees: Any Non Resident Use + During Prime Time = Base Fee (or 100% of actual fee established)

Discount Fees: Any Resident Use + During Prime Time or Any Non-Resident Use + Non-Prime = 75% of Base Fee

#### Fee Tiers (Field, Facility Use, Picnic Shelter Rentals)

Base Fees: Any Non Resident Use + During Prime Time = Base Fee (or 100% of actual fee established)

Discount Fees: Any Resident Use + During Prime Time or Any Non-Resident Use + Non-Prime = 75% of Base Fee

Super Discount Fees: Any Resident Use + During Non-Prime = 50% of Base Fee

E.g. Field Rentals

- ☐ Current \$25 / hour (unlit) ; \$40 / hour (lit)
- ☐ Base Fees - \$50 / hour (unlit) ; \$80 / hour (lit); For Non-residents 5pm - close on Monday-Friday and Saturday all day
- ☐ Discounted Fee - \$37.50 (\$38) / hour (unlit); \$60 / hour (lit) For Residents 5pm - close on Monday-Friday and Saturday all day; Non- Residents during the day before 5pm Monday-Friday and Sunday all day.
- ☐ Super Discount Fees - \$25 / hour (unlit); \$40 / hour (lit); For Residents during the day before 5pm Monday-Friday and Sunday all day.

## 1.7 – RECOMMENDATION #4 – ANNUALLY UPDATE COST OF SERVICE MODEL

Continue to track indirect and overhead costs (including custodial, park maintenance etc.) to identify true cost of offering a service. Annually update the model with data captured during the year and communicate the cost of service to the staff and users on an on-going basis.

## 1.8 RECOMMENDATION #5 - PLAN FOR LONG-TERM CAPITAL IMPROVEMENT AND DEFERRED MAINTENANCE

A large number of existing parks and facilities as well as amenities in the facilities are the aging and at the end of their lifecycles. While the asset lifecycle replacement study will provide clarity on future needs, ensuring a pricing structure that supports long term capital improvement and deferred maintenance will be critical as the population served by the city increases, and consequently, so does the demand for parks and recreation offerings.



## 1.9 RECOMMENDATION #6 – SEEK NON-TRADITIONAL FUNDING SOURCES

More and more parks and recreation agencies are looking to partnerships and creative revenue generating sources as a means to ensure long-term financial sustainability without burdening the existing user base. Update the City policy, as needed, to include new earned income options as a way to ensure greater financial sustainability.

The following are some creative sources of revenue that agencies nationwide have been successfully pursuing in recent times. For a detailed list of all funding and revenue strategies based on staff discussions of implementation risk and implementation feasibility, please see the Appendix.

- **Sponsorships**

These are typically cash or in-kind fees paid to an agency by a brand or a business in exchange for being able to promote their brand or business through the agency's offerings (e.g. programs, events or facilities). The City of Dallas recently had a partnership with the Naked Juice Brand for promoting Naked Coconut Water at one of their park sites / walking and biking lanes.

(e.g. City of Roseville, CA: Sponsorships for the Utility Exploration Center)

<https://www.roseville.ca.us/explore/sponsorships.asp>

- **Naming Rights**

These are a types of advertising where a brand or a business paid a fee to be able to name a venue, park or facility or even an event for a period of years. This can vary from 3-20 years and is a very common practice in the private sector but is also getting more prevalent in the public sector as well.

(Lewisville, TX - Toyota of Lewisville Railroad Park)

<http://www.cityoflewisville.com/index.aspx?page=538>

- **Crowd-funding**

It is the collection of funds to sustain an initiative from a large pool of backers—the "crowd"—usually made online by means of a web platform. The initiative could be a nonprofit campaign (e.g. to raise funds for a school or social service organization), a philanthropic campaign (e.g. for emergency funds for an ill person or to produce an emerging artist), a commercial campaign (e.g. to create and sell a new product) or a financing campaign for a public agency (capital projects or program / operations related e.g. printing costs for all marketing materials)

Crowdfunding models involve a variety of participants. They include the people or organizations that propose the ideas and/or projects to be funded, and the crowd of people who support the proposals. Crowdfunding is then supported by an organization (the "platform") which brings together the project initiator and the crowd. Given below are two examples of the most popular platforms that are currently out there.

- [www.Fundyourpark.org](http://www.Fundyourpark.org) - Started by the National Recreation and Park Association (NRPA) specifically focused on parks and recreation agencies and crowdfunding their needs for programs and amenities in their communities.
- [www.Kickstarter.com](http://www.Kickstarter.com)

- The Mountair Park Community Farm to build urban farms in unused City Park Space  
<https://www.kickstarter.com/projects/1255067972/growing-in-the-city-the-mountair-park-community-fa?ref=live>
- Marketing Support for creating Outdoor Recreation Map  
<https://www.kickstarter.com/projects/403262169/outdoor-recreation-map-of-the-bob-marshall-wildern?ref=live>
- [www.Razoo.com](http://www.Razoo.com)
  - After-School Programs for Environmental Education <http://www.razoo.com/story/Feel-Good-About-Contributing-To-Urban-Sprouts>
  - Local Community Theater Support Group <http://www.razoo.com/story/Team-Wang>
  - Community-Led Design Project <http://www.razoo.com/story/Hsc-Board-Match-Challenge>

## 1.10 RECOMMENDATIONS # 7 - PROPOSED FEES AND CHARGES

Based on the current cost recovery rates, the service classification philosophy and cost recovery goals as well as the differential pricing tiers mentioned below, the following are the proposed processes, consistently implementable policies, base fees, charges and resident discounts for the fee schedule.

Consistency in Policy / Process	Implementation
<b>Rentals / Facility Use Permits</b>	21 days cancellation notice required
<b>Rental Fee Payment</b>	Payment in full, 21 days prior to event date
<b>Reservation and Damage Deposit</b>	\$250 refundable if all conditions are met
<b>Cancellation Fee</b>	\$100 if cancelled 21 or more days prior to event date. Cancellations made less than 21 days of event day will get no refunds.
<b>Custodial / Parks Cleaning Fee</b>	\$60 non-refundable at all facilities and parks per permit after rental (with opportunity for annual COLA)
<b>Alcohol Permit fee</b>	\$150 non-refundable
<b>Field prep (per field / rental)</b>	\$75



## 1.11 CONCLUSION

The key to a successful plan and philosophy centers on knowing the true costs to produce a service or product and using a having a consistent process in place to manage, expand or eliminate offerings based on community values and financial goals. The expectation is not that the plan is perfect from the start but that it is realistic and dynamic, thus allowing the staff to continue using and updating it over time.

Pricing of services is a dynamic process and, even though, any change is always a hard process. The Recreation Department is headed by staff considered among the leaders in the profession state-wide and nationally and it is important for the city leadership to support the staff in introducing a consistent and sustainable process for the future. Additionally, the pursuit of earned income dollars should continue to be emphasized and support and training should be provided to staff to make it successful and achieve the desired results.

The recommendations outlined have been built keeping in mind the growing and diverse population, the socio-economic realities of Chula Vista as well as, in light of the economic distress over the last few years, the need to ensure long-term financial sustainability.

Lastly, a successful plan implementation requires a focused persistence but also warrants patience in implementing, tracking and modifying strategies based on their success or failure. It is important to bear in mind that this plan is meant to be a guideline that helps elevate the level of performance demonstrated by the Recreation Department and to provide a structure and a philosophy that can be employed to drive long-term financial sustainability.

Supportive leadership and trained staff who all buy into the collective vision and consistently communicate that to all users will be the key to ensuring that the Recreation Department meets the community needs in a financially sustainable manner for years to come.



## Chapter Two COMMUNITY INPUT

### 2.1 PUBLIC MEETING SUMMARY

Chula Vista staff helped organize open public meetings in October 2014 at two locations: Norman Park Senior Center and Montevalle Community Center. They were also followed by a second round of meetings at the same sites in September 2015. These meetings were publicized very well by city staff through written invitation letters, email blasts, publicity specifically at the centers and word of mouth.

The goal of the first set of meetings was to obtain broad community input and their preferences for a host of revenue and pricing decisions ranging from differential pricing to scholarships and non-resident fees to new revenue sources. The second set of meetings shared initial findings and recommendations in order to get community feedback and keep them updated with the progress. There were over fifty attendees who expressed a wide range of opinions, and a broad consensus on several key issues.

The following table demonstrates the summary findings from the public meetings.

Issues	Community Feedback
Resident / Non-resident pricing	Most would support instituting a higher fee structure for non-residents who use City Services
Basic / Intermediate Programs	There was a split between those who would and would not support user fee increases based on advanced / specialized nature of offerings the program or service
Admin Fee	Respondents indicated support if there was assurance of money being used towards specific park, facility or offering maintenance or enhancement
Price Discount (Non-prime time)	Respondents would support a price discount to attend programs at a less convenient location or time but were uncertain about price increase for prime time slots.
Willingness to pay more to create a self-sustaining Scholarship Fund?	Yes, most indicated that they would support that





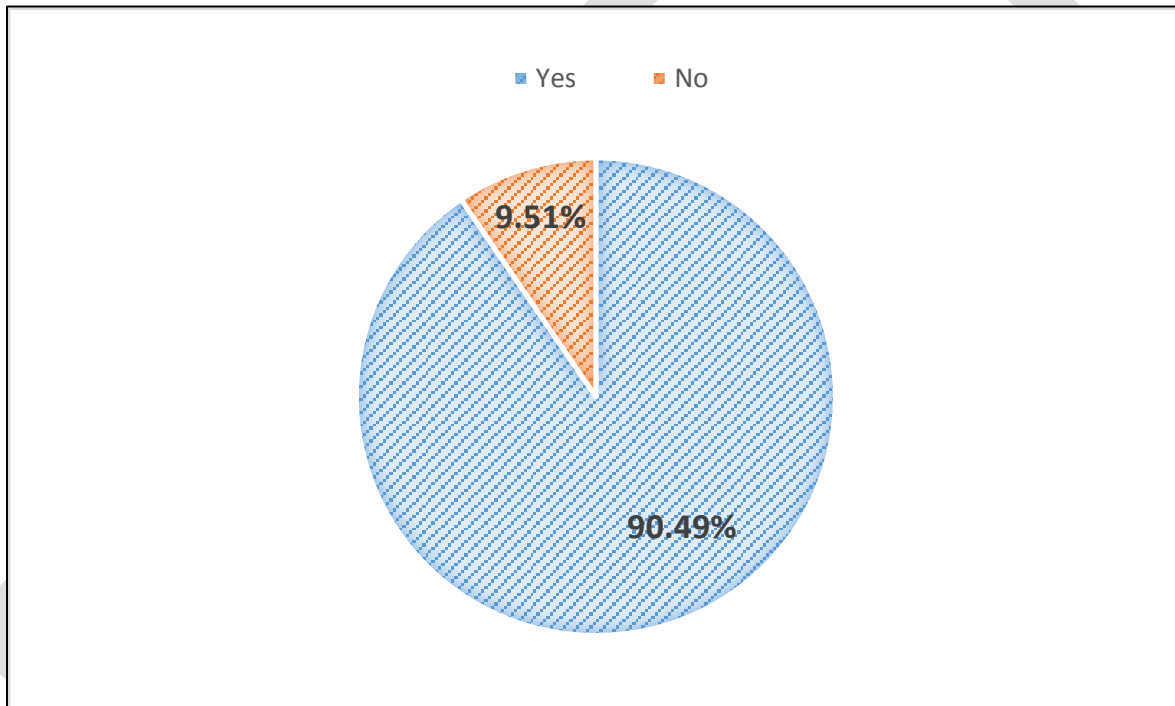
## 2.2 COMMUNITY ON-LINE SURVEY

An online survey powered by Survey Monkey was administered to the Chula Vista community through the month of April 2015. This survey focused on how supportive the community was of initiating new fee policy and pricing structure. Staff outreach and community engagement was done email blasts and online communication. Additionally, staff printed copies in English and Spanish and had those available at every center to ensure people have a chance to participate in the process.

The survey received a total of 1,209 responses which is among the highest response rates the consulting firm has ever seen and speaks highly to staff's extensive efforts and an involved community.

Given below are summary responses from those surveys followed by select open ended comments received from the process too.

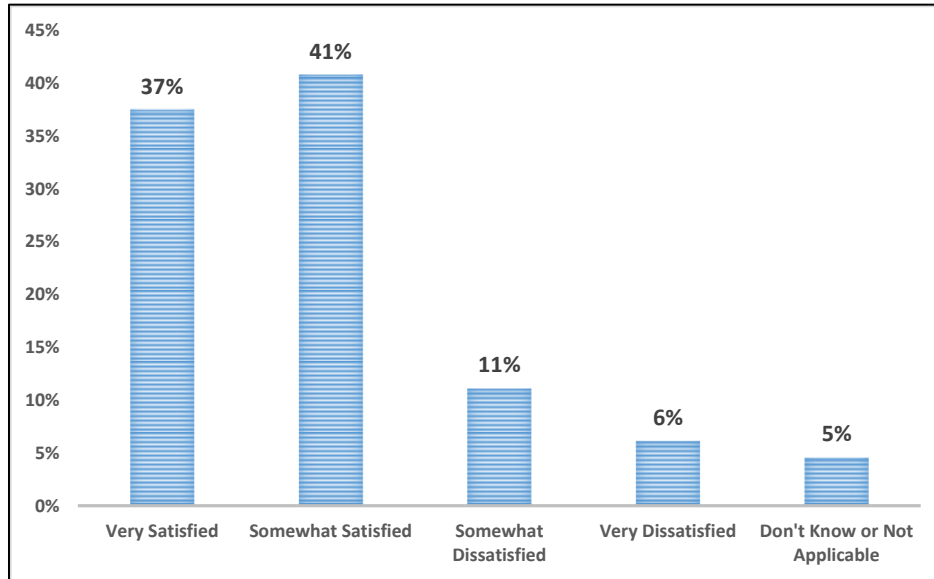
### 2.2.1 ARE YOU A RESIDENT (HAVING MAIL DELIVERED TO AN ADDRESS IN CHULA VISTA)?



About 10% of all respondents were non-residents which means over 1000 respondents were residents of Chula Vista. This ensure that the survey findings reflect true community findings and represent the audience that the Department and City serves.

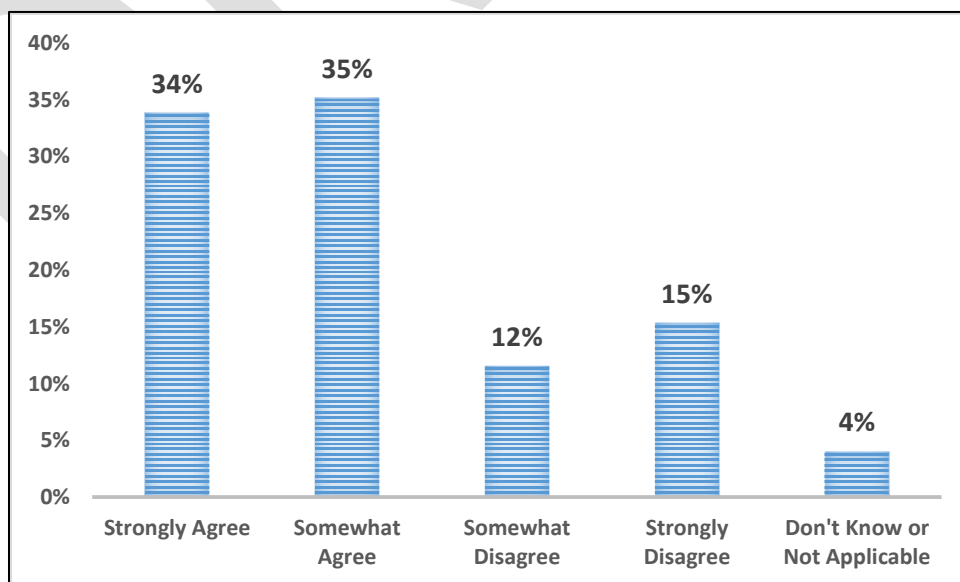
### 2.2.2 WOULD YOU SAY YOU ARE SATISFIED OR DISSATISFIED WITH THE VALUE RECEIVED FOR THE AMOUNT PAID TO RECEIVE CITY OF CHULA VISTA RECREATION SERVICES?

The respondents indicated a very high level of satisfaction with the value they received for what they paid. Nearly 80% of all respondents stated that they were somewhat or very satisfied which compares favorably to results the consultant team has seen nationwide.



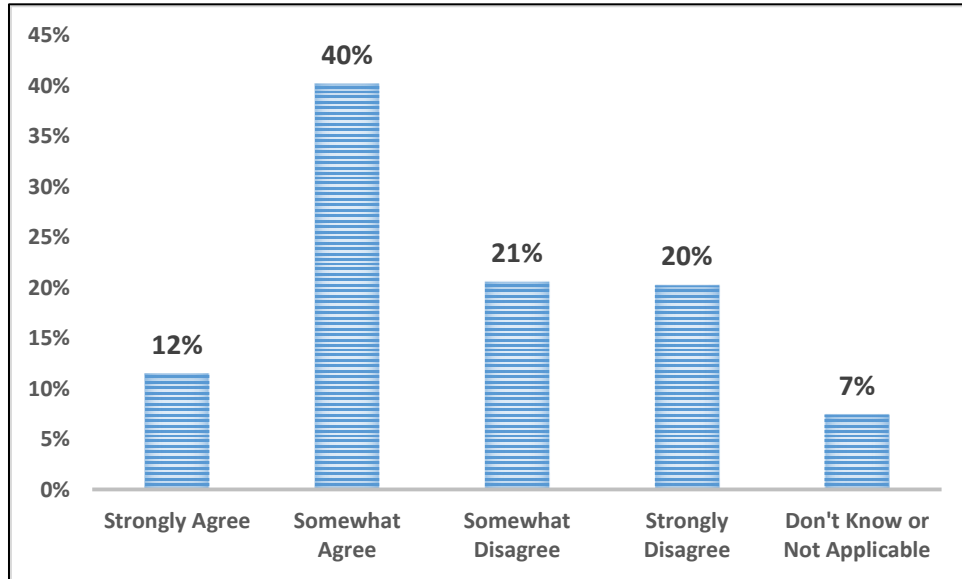
### 2.2.3 I WOULD SUPPORT INSTITUTING A HIGHER FEE STRUCTURE FOR NON-RESIDENTS WHO USE CITY OF CHULA VISTA RECREATION SERVICES.

Over 70% of all respondents indicated support for higher non-resident fees to be charged while 27% did not support it. However, one must keep in mind that 10% of all respondents were non-residents hence the opposition to non-resident fee from actual residents is expected to be much lesser, and indicates a high preference for differential pricing for residents versus non-residents.



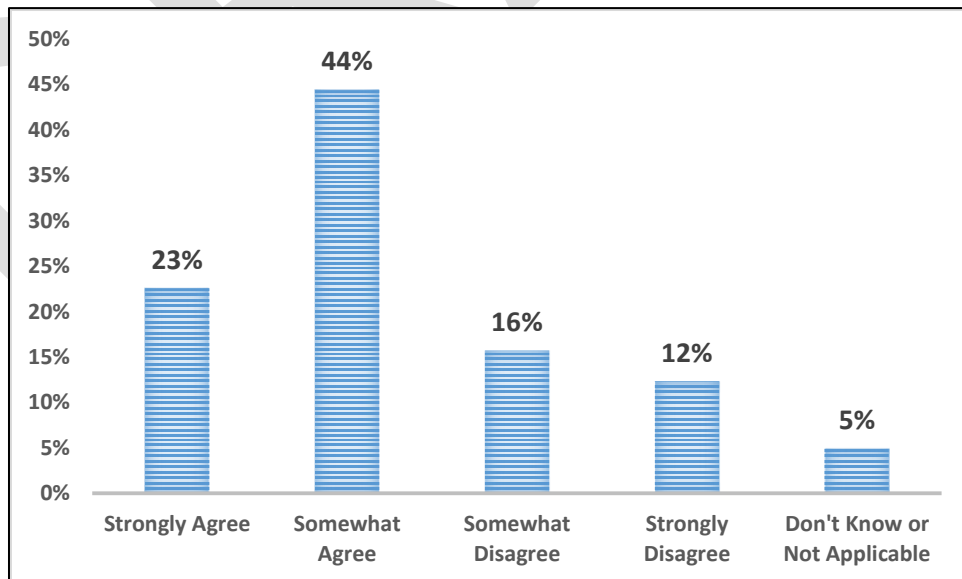
#### 2.2.4 I WOULD SUPPORT A FEE STRUCTURE WHERE THE USER FEE INCREASES BASED ON ADVANCED OR SPECIALIZED NATURE OF THE PROGRAM OR SERVICE.

A majority (52%) supported having higher fees for specialized programs versus introductory level programs or services offered by the Department.



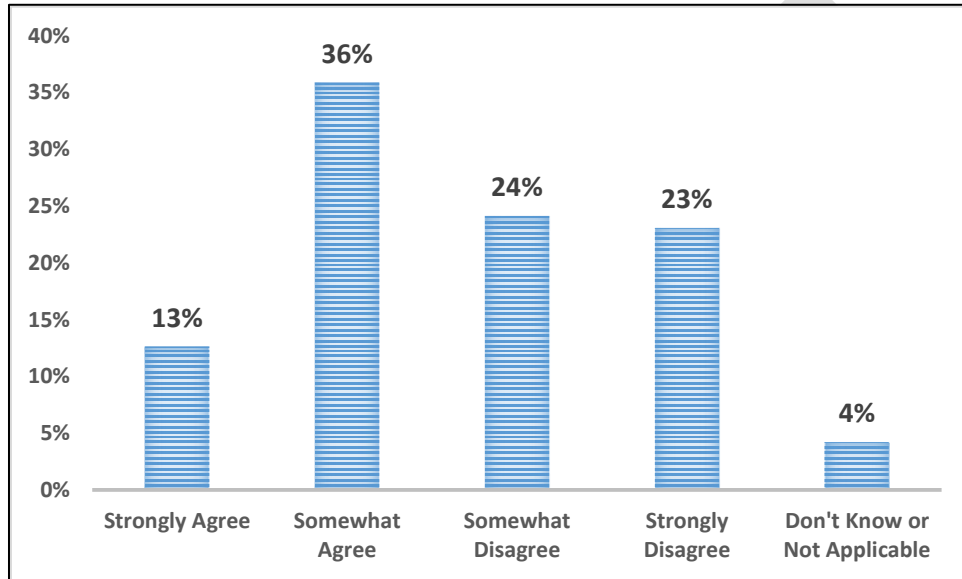
#### 2.2.5 I WOULD SUPPORT PAYING A HIGHER PRICE FOR AN INSTRUCTOR WITH SPECIALIZED CREDENTIALS VERSUS AN INSTRUCTOR WITH THE MINIMUM NECESSARY.

Over 2/3 of all respondents (67%) supported having higher fees for instructors with specialized credentials for programs services offered by the Department. This indicates a willingness to pay higher fees based on the quality of the experience offered by a higher quality or specialized instructor.

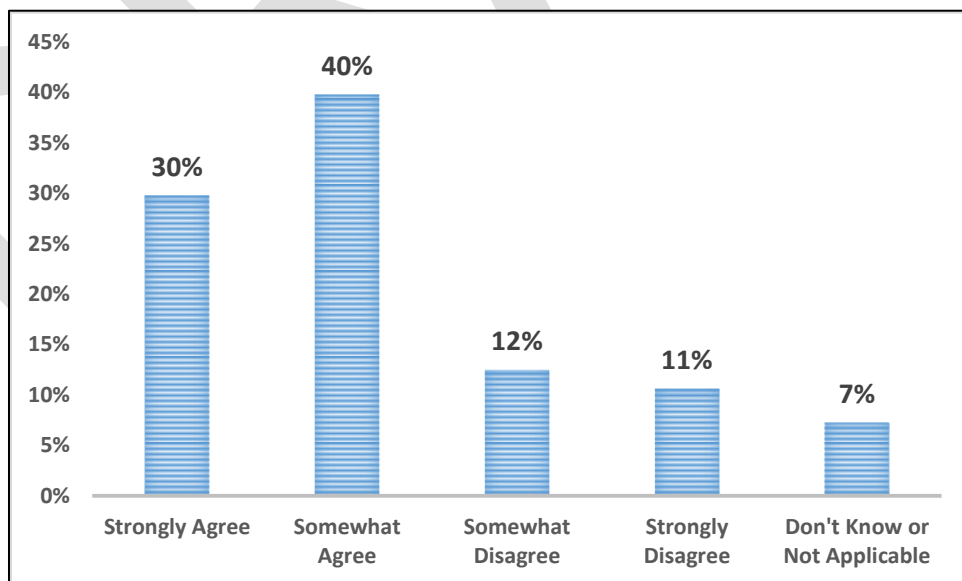


### 2.2.6 I WOULD SUPPORT A FEE STRUCTURE THAT INCLUDES AN ADMINISTRATIVE FEE THAT HELPS FUND THE MAINTENANCE OR ENHANCEMENT OF CITY OF CHULA VISTA PARKS, FACILITIES AND PROGRAMS.

The results were evenly split between those willing to pay an additional administrative fee to help fund maintenance versus those that were against it and thus it does not appear to be a viable recommendation at this point based on community feedback.

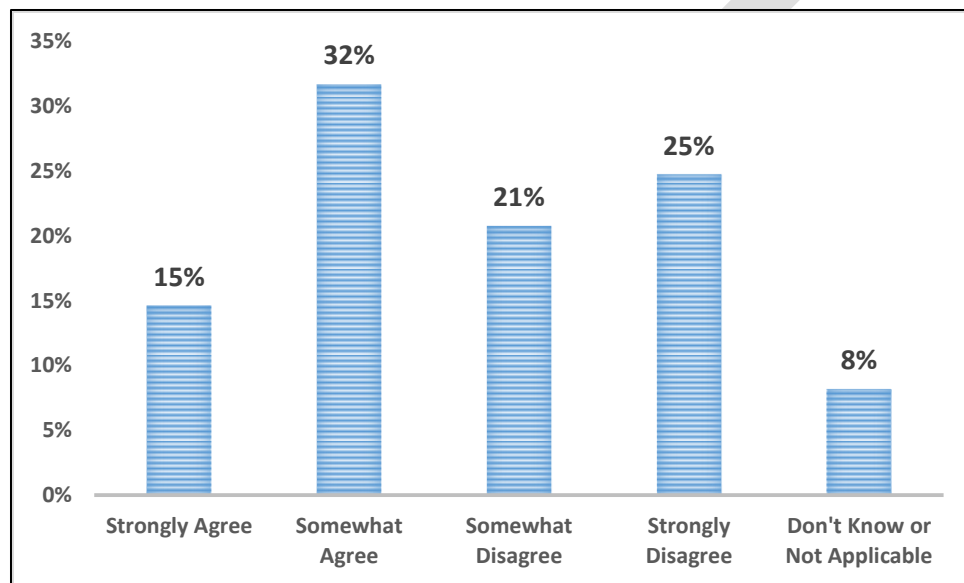


### 2.2.7 I WOULD SUPPORT A PRICE DISCOUNT TO ATTEND PROGRAMS AT A LESS CONVENIENT LOCATION OR TIME. (EXAMPLE: MUCH LIKE A MOVIE TICKET FOR A MATINEE ACROSS TOWN VS. EVENING AT A CLOSER LOCATION).



### 2.2.8 I WOULD BE WILLING TO PAY A SLIGHTLY HIGHER FEE TO SUPPORT A SELF-SUSTAINING SCHOLARSHIP FUND THAT WOULD HELP PROVIDE SCHOLARSHIPS FOR THOSE UNABLE TO AFFORD THE CITY'S RECREATION OFFERINGS.

The results were evenly split between those not willing versus those willing to pay a slightly higher fee to help support a self-sustaining scholarship fund to help those who may be unable to afford the offerings. It is important to note that the Recreation Department had a scholarship fund in the years past but it had been eliminated due to budget cuts previously.



### 2.2.9 OPEN ENDED FEEDBACK

The following are select comments taken from the open ended survey comment box.

#### Norman Park Senior Center

- Great job
- Limited pension, retired, no family. Norman Park is a social place for retired persons with limited income.

#### Montevalle Recreation Center

- Very reasonable price. Great instructors and staff.
- I like it. Everything: price, diversity of activities, all.

#### Loma Verde Recreation Center

- I am very happy with the current system!

#### Loma Verde and Parkway Pools

- Great services and facility

### Heritage Park

- **Higher costs = less participants**
- I don't think prices are neither cheap nor expensive. But I truly believe that prices are ok for what Rec. offers.
- If the fees increase, I would not be able to participate. I come here because it is affordable. If I wanted someone more expensive, I would take my child somewhere else.
- Those who cannot afford these programs already get free preschool!
- If prices stay low, there would not be much need for scholarships. We use recreation services because they are priced decent. If prices increase, they would be more than other services in the area (YMCA, after school, etc.) and we may choose those instead.

### Otay Recreation Center – English

- I take my child to Apples to Zebra for Teacher “\_\_\_” and Teacher “\_\_\_”. (names removed to protect privacy) I would pay extra if they were trained with credentials!
- I'd be fine with paying a higher price for better equipment.
- Pricing is very fair.
- Having two girls in sports, we need to make skill development a priority and need coaches who know how to coach. I would be very willing to pay more for this. Also would pay more for girls' only sports!
- If fees go up then class size needs to go down, especially for swim lessons.
- I believe we pay higher fees for those classes with independent contractor teachers (art, cooking, certain of the language courses) already. Appreciate those offerings greatly!
- Prices are way too much for recreation
- Your programs are a gift to our community. You need to charge what you must to sustain good teachers and employees and maintain the facilities. We have greatly appreciated the classes for special needs kids. We have also enjoyed swim lessons and some of your free soccer and basketball classes. We live on very little and are grateful for the reasonable fees for these classes. If you must raise your prices, then do it and God will help those of us that need it.
- I think your services are very affordable & that's the reason why so many people enroll in your programs. If you raise those fees, you run the risk of losing a lot of customers, because if your fees are about the same as someone closer to them, they might just go there instead.
- I support any raise hike that subsidizes financial aid or education.
- I am generally against increased rates of any kind.
- I am thankful for the wonderful staff at all the recreational locations. I have always been impressed with dedication and kindness of the instructors my children have been with. Thank you.
- I would support a lesser fee for services for residents of Chula Vista for use of recreational facilities



## Chapter Three COMMUNITY PROFILE

### 3.1 DEMOGRAPHIC ANALYSIS

The Demographic Analysis provides an understanding of the population within the City of Chula Vista, California. This analysis is reflective of the total population, and its key characteristics such as age segments, income levels, race, and ethnicity.

It is important to note that future projections are all based on historical patterns and unforeseen circumstances during or after the time of the projections could have a significant bearing on the validity of the final projections.

#### 3.1.1 DEMOGRAPHIC OVERVIEW

The total population of the target area had an increase of approximately 2.7% from 243,916 in 2010 to 250,584 in 2013. The current estimated population is projected to reach 263,637 in 2018, and total 288,259 by 2028.

According to the U.S. Census reports, the total number of households in the service area has increased by approximately 2%, from 75,515 in 2010 to 77,046 in 2013. The total number of households is expected to grow to 80,668 by 2018 and reach 87,112 by 2028.

The city's median household income of \$63,207 is above the state and national averages, while per capita income (\$25,279) falls below both averages.

Based on the 2010 Census, the population of the Chula Vista is much younger (33.7 years) than the median age of the U.S. (37.2 years). Projections show that the target area will undergo an aging trend, with the 55+ group growing to represent 25.7% of the total population by 2028.

The majority of the estimated 2013 population is White Alone (53.28%), with the Some Other Race (20.67%) representing the largest minority, while those of Hispanic/Latino Origin represent 59.42% of the populace. Future projections through 2028 expect the White Alone to decrease minimally to 51.91% of the total population, followed by the Some Other Race (22.58%) and Asian (14.52%) minorities. The Hispanic ethnicity is forecasted to increase to 65.88% of the total population by 2028.



### 3.1.2 METHODOLOGY

Demographic data used for the analysis was obtained from U.S. Census Bureau and from Environmental Systems Research Institute, Inc. (ESRI), the largest research and development organization dedicated to Geographical Information Systems (GIS) and specializing in population projections and market trends. All data was acquired in July 2014 and reflects actual numbers as reported in the 2010 Censuses, and estimates for 2013 and 2018 as obtained by ESRI. Straight line linear regression was utilized for projected 2023 and 2028 demographics. The geographic boundary of the City of Chula Vista was utilized as the demographic analysis boundary shown in Figure 1.

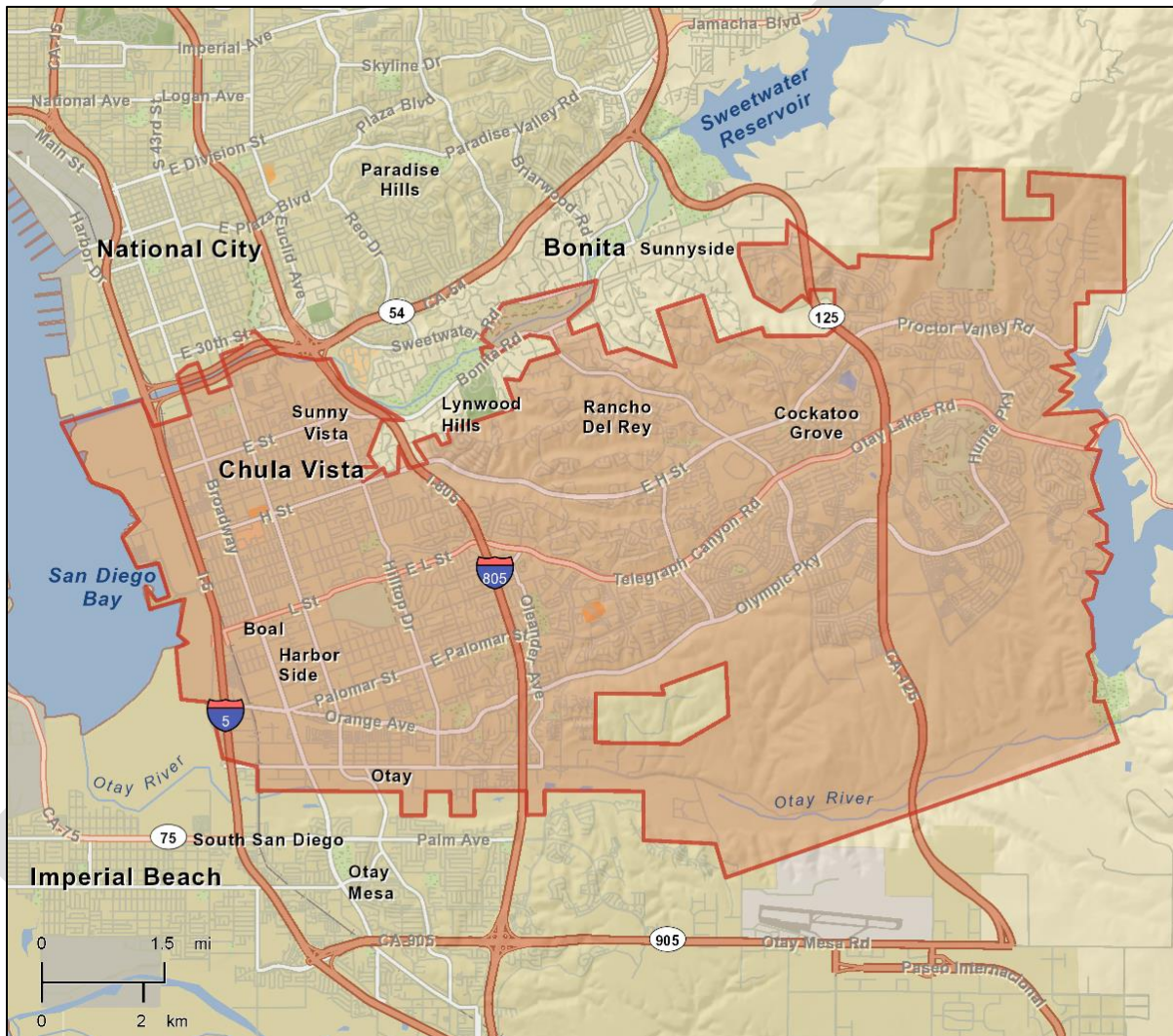


Figure 1-Target Area Boundaries



## RACE AND ETHNICITY DEFINITIONS

The minimum categories for data on race and ethnicity for Federal statistics, program administrative reporting, and civil rights compliance reporting are defined as below. The Census 2010 data on race are not directly comparable with data from the 2000 Census and earlier censuses; caution must be used when interpreting changes in the racial composition of the US population over time. The latest (Census 2010) definitions and nomenclature are used within this analysis.

- American Indian - This includes a person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment
- Asian - This includes a person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam
- Black - This includes a person having origins in any of the black racial groups of Africa
- Native Hawaiian or Other Pacific Islander - This includes a person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands
- White - This includes a person having origins in any of the original peoples of Europe, the Middle East, or North Africa
- Hispanic or Latino - This is an ethnic distinction, a subset of a race as defined by the Federal Government; this includes a person of Mexican, Puerto Rican, Cuban, South or Central American, or other Spanish culture or origin, regardless of race

### 3.1.3 CHULA VISTA POPULACE

#### POPULATION

The City of Chula Vista has witnessed very little growth in recent years. From 2010 to 2013, the city's total population experienced an increase of 2.7%, from 243,916 to 250,584. Projecting ahead, the total population of the target area is expected to continue to grow over the next 15 years. Based on predictions through 2028, the local population is expected to have approximately 288,259 residents living within 87,112 households. See Figure 2.

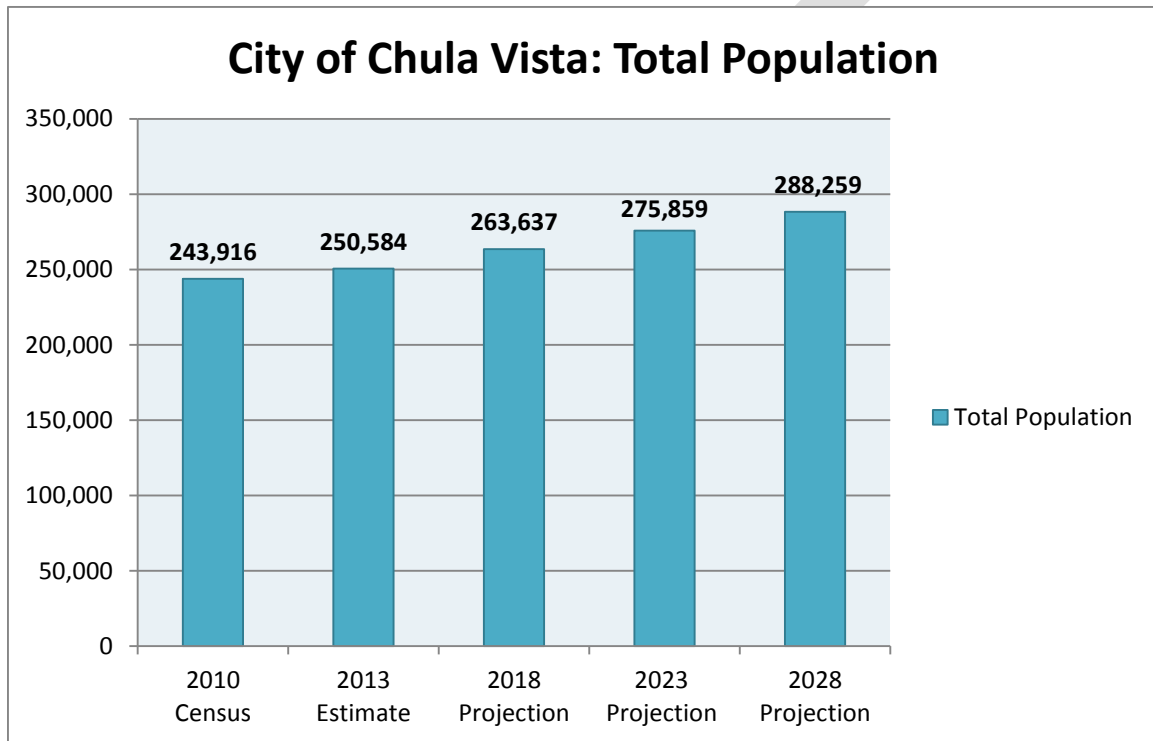


Figure 2-Total Population



## AGE SEGMENT

Evaluating the distribution by age segments, the city is somewhat balanced between youth, young adult, family, and senior populations. In 2010, the largest segment by population is the 35-54 group representing 29%, and the smallest is the 55+ segment which constitutes 19.3% of the population.

Over time, the overall composition of the population is projected to undergo an aging trend. Based on the 2013 estimate, the 35-54 segment remains the largest age group, constituting 28% of the population. Future projections through 2028 show that the <18 and 35-54 segments will undergo small decreases in size as compared to the population as a whole, while the 18-34 and 55+ groups will slowly grow. The 55+ group is expected to grow more rapidly than any other segment, with approximately 25.7% of the population by 2028. This will create an even distribution among the four major segments, with the 55+ group representing the largest segment by a narrow margin. This is consistent with general national trends where the 55+ age group has been growing as a result of increased life expectancies and the baby boomer population entering that age group. See Figure 3.

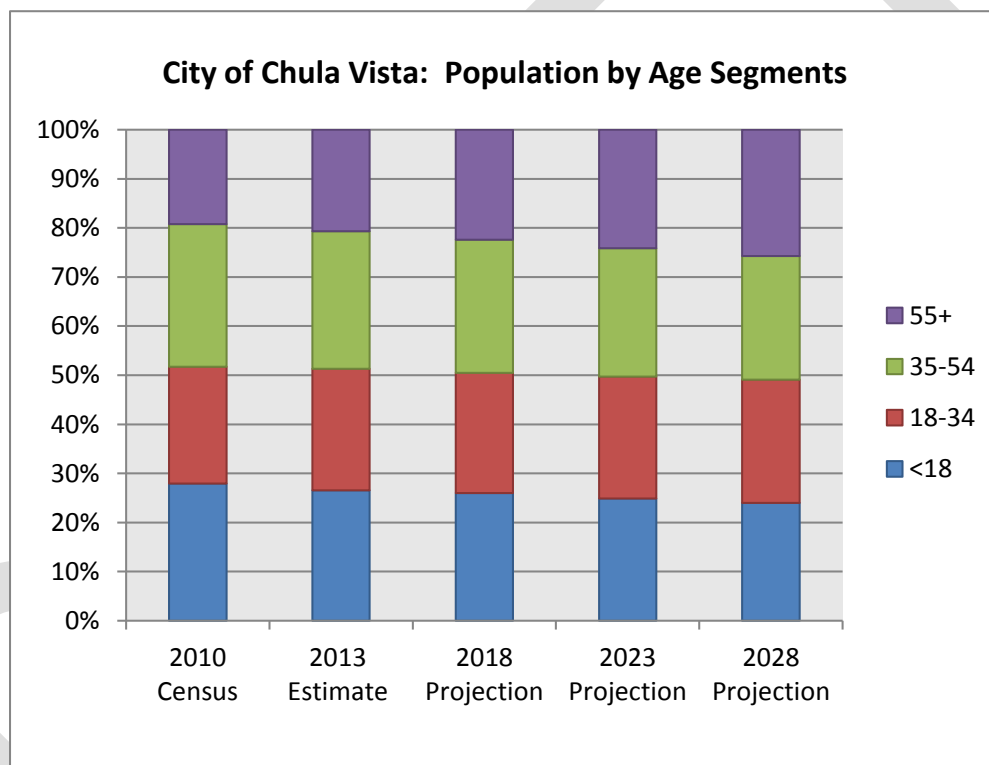


Figure 3-Population Age by Segments

## RACE AND ETHNICITY

In analyzing race and ethnicity, the selected area is fairly diverse. The 2013 estimate shows that 53.28% of the population falls into the White Alone category, while Some Other Race (20.67%) and Asian (14.25%) represent the largest minorities. The Hispanic ethnic group totals 58.24% of the estimated 2013 population. Predictions for 2028 expect the population to remain consistent, as the White Alone decreases slightly to 51.91% and the Some Other Race (22.58%) and Asian (22.58%) minorities undergo minimal increases. Those of Hispanic/Latino Origin are expected to continue an upward growth trend, climbing to 65.88% of the population by 2028. See Figure 4 and 5.

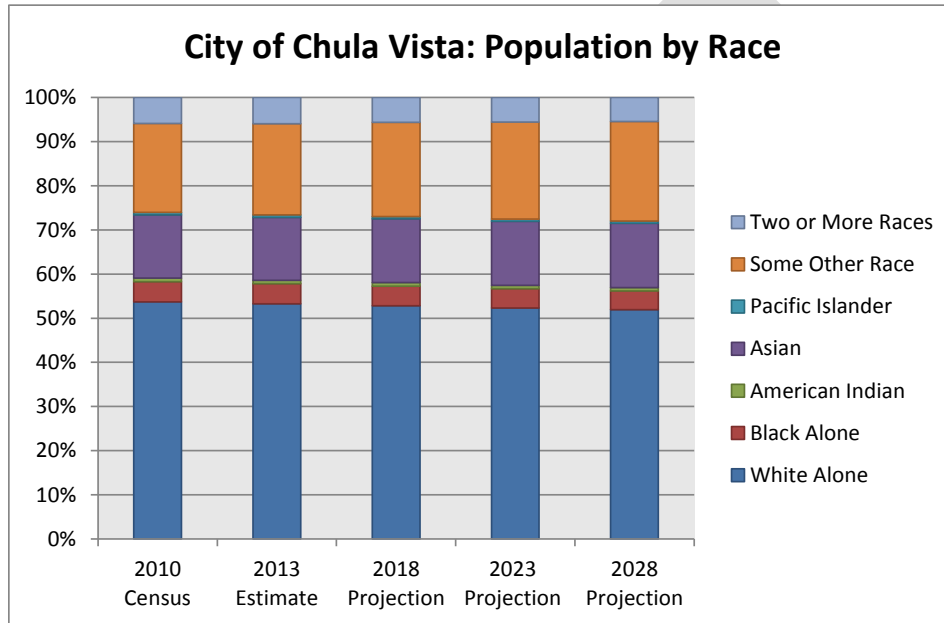


Figure 4- Population by Race

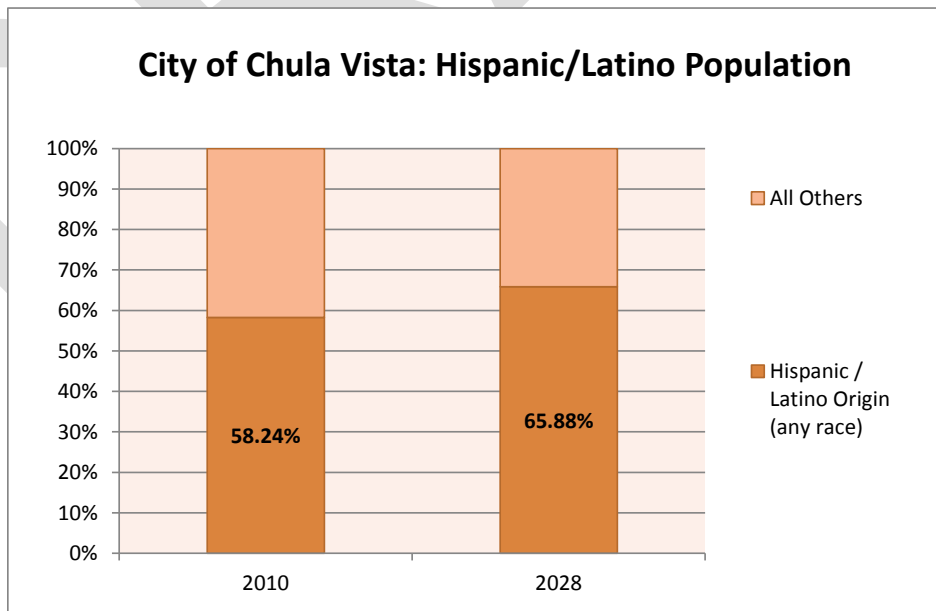


Figure 5 - Hispanic/Latino Population



## HOUSEHOLDS AND INCOME

The City of Chula Vista's projected income characteristics demonstrate steady growth trends. The median household income is estimated to be \$63,207 in 2013 and per capita income is an estimated \$25,279. Household income is projected to grow to \$123,517 by 2028, while per capita income will reach \$36,079. The median household income represents the earnings of all persons age 16 years or older living together in a housing unit. (Figure 6).

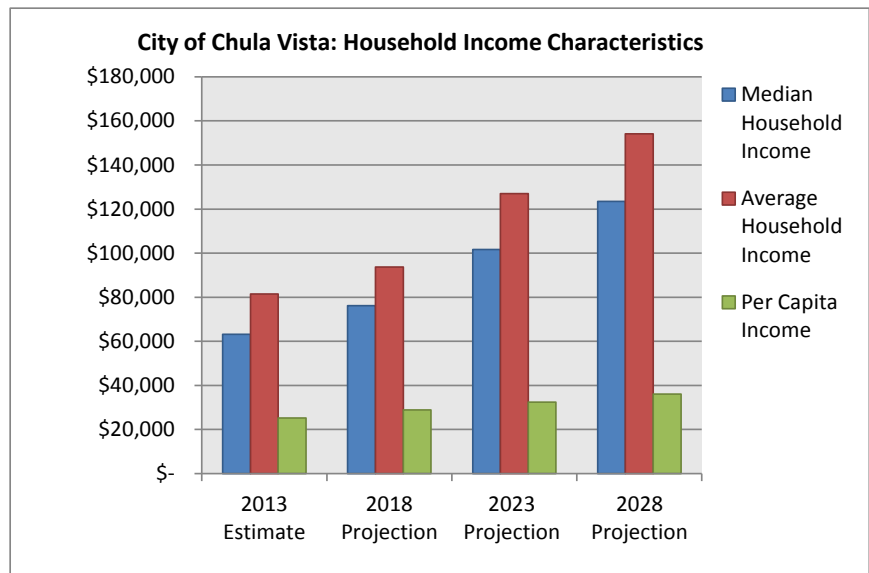


Figure 6- Household Income Characteristics

As seen in Figure 7, the city's median household income is above the state (\$61,400) average, and is well above the national (\$52,762) average. Per capita income falls below the state (\$29,511) and national (\$27,915) averages. Future predictions expect that both median household income and per capita income for the area will increase to \$123,517 and \$36,079, respectively, by 2028. Based on these income characteristics, it is important to ensure a pricing strategy that does not price people out of the market but also focuses on financial sustainability to ensure continued services to these populations.

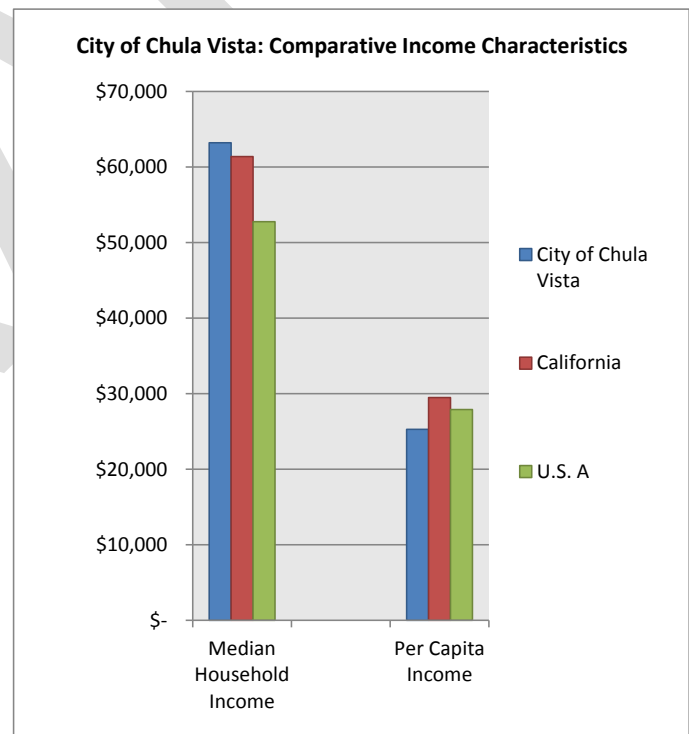
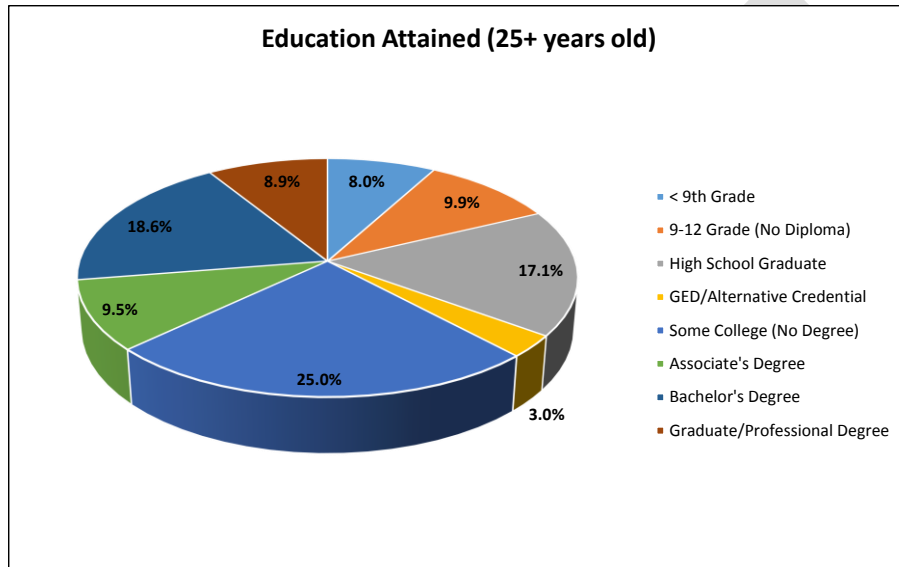


Figure 7- Comparative Income Characteristics

## 3.2 MARKET PROFILE

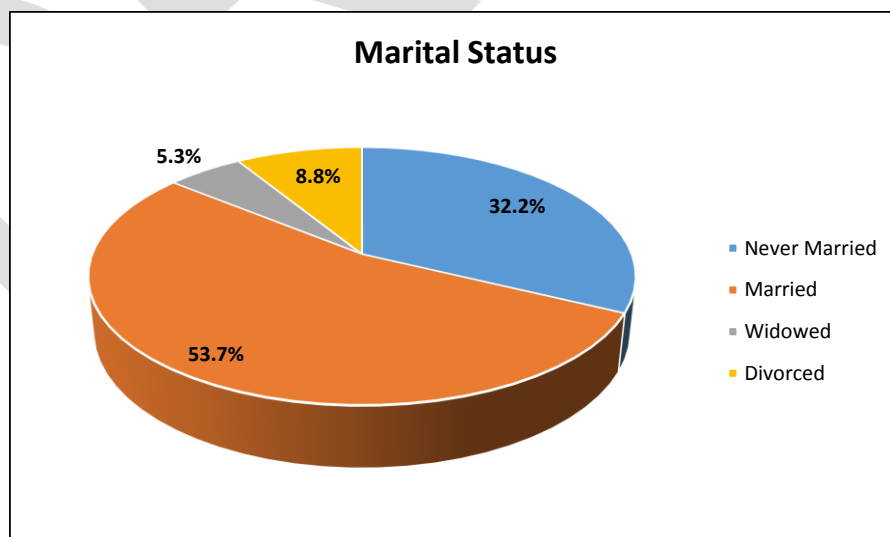
### 3.2.1 LEVEL OF EDUCATION

The following chart depicts the education level of adults 25 years and older within the City of Chula Vista. Approximately 82% of residents have at least a GED/alternative credential or high school diploma, and around 28% have a Bachelor's degree or better.



### 3.2.2 MARITAL STATUS

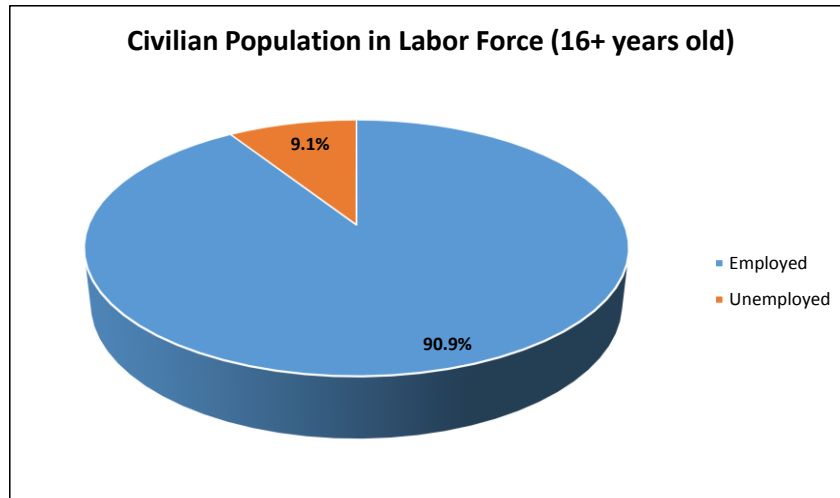
The chart below illustrates the marital status among residents of Chula Vista. Nearly 54% of the population is married, while 32% are single and never have married.





### 3.2.3 UNEMPLOYMENT RATE

The following represents the rate of unemployment in the City of Chula Vista. With just over 9% of residents unemployed, the target area is significantly higher than the national rate.



### 3.2.4 RECREATION EXPENDITURES (OVERALL – NOT SPECIFIC TO RECREATION DEPARTMENT)

The chart below reveals household spending on select recreational activities and equipment within the City of Chula Vista. Total and average spending are based on 77,046 households. As can be seen, a high amount is spent annually on fees for Participant Sports, Recreation lessons and even fees for social, recreation and civic clubs including YMCA, Boys and Girls Clubs, private clubs and instructors as well as city offerings.

Recreation Expenditures		
Expenditure	Avg Spent	Total Spent
Admission to Sporting Events, excl. Trips	\$72.85	\$5,613,145
Fees for Participant Sports, ecl. Trips	\$149.75	\$11,537,336
Fees for Recreational Lessons	\$159.69	\$12,303,854
Membership Fees for Social/Recreation/Civic Clubs	\$197.11	\$15,186,437
Camp Fees	\$52.61	\$4,053,032
Rental of RVs or Boats	\$10.08	\$776,977
Exercise Equipment and Gear, Game Tables	\$76.21	\$5,871,597
Bicycles	\$32.45	\$2,499,883
Camping Equipment	\$12.32	\$949,533
Hunting and Fishing Equipment	\$29.04	\$2,237,772
Winter Sports Equipment	\$9.73	\$749,303
Water Sports Equipment	\$7.49	\$577,112
Rental/Repair of Sports/Recreation/Exercise Equipment	\$4.63	\$357,104

### 3.3 RECREATION TRENDS ANALYSIS

The following tables summarize the findings from the Sports & Fitness Industry Association's (SFIA) 2015 Sports, Fitness and Leisure Activities Topline Participation Report, as well as the local market potential index data, which compares the demand for recreational activities and spending of residents for the targeted area to the national averages. While this information will be far more helpful in the Recreation Department's Needs Assessment process currently underway, these trends help predict demand for types of activities and thus allow the consulting team to make market based pricing recommendations.

#### Summary of National Participatory Trends Analysis

- 1. Number of "inactives" increased slightly, while "actives" are participating more**
  - a. "Inactives" increased 10.6% from 2009 to 2014, from 74.8 million to 82.7 million
  - b. 209 million "actives" are participating more often and in multiple activities
- 2. Most popular sport and recreational activities**
  - a. Fitness Walking (113 million)
  - b. Running/Jogging (51 million)
  - c. Treadmill (50 million)
- 3. Most participated in team sports**
  - a. Basketball (23 million)
  - b. Tennis (18 million)
  - c. Baseball (13 million)
- 4. Activities most rapidly growing over last five years**
  - a. Adventure Racing - up 136%
  - b. Non-traditional/Off-road Triathlon - up 123%
  - c. Squash - up 101%
  - d. Traditional/Road Triathlon - up 92%
  - e. Rugby - up 77%
- 5. Activities most rapidly declining over last five years**
  - a. Wrestling - down 40%
  - b. Touch Football - down 32%
  - c. In-line Roller Skating - down 32%
  - d. Racquetball - down 25%
  - e. Slow-pitch Softball - down 23%



Information released by Sports & Fitness Industry Association's (SFIA) 2015 Study of Sports, Fitness, and Leisure Participation reveals that the most popular sport and recreational activities include: fitness walking, running/jogging, treadmill, free weights and road bicycling. Most of these activities appeal to both young and old alike, can be done in most environments, are enjoyed regardless of level of skill, and have minimal economic barriers to entry. These popular activities also have appeal because of the social aspect. For example, although fitness activities are mainly self-directed, people enjoy walking and biking with other individuals because it can offer a degree of camaraderie.

Fitness walking has remained the most popular activity of the past decade by a large margin, in terms of total participants. Walking participation during the latest year data was available (2014), reported over 112 million Americans had walked for fitness at least once.

From a traditional team sport standpoint, basketball ranks highest among all sports, with approximately 23 million people reportedly participating in 2014. Team sports that have experienced significant growth in participation are rugby, lacrosse, field hockey, ice hockey, roller hockey, and gymnastics - all of which have experienced double digit growth over the last five years.

Between 2009 and 2014, the estimated number of "inactives" in America increased by 7.9 million individuals (10.6%), from 74.8 million in 2013 to 82.7 million in 2014. According to the Physical Activity Council, an "inactive" is defined as an individual age 6 and up that doesn't take part in any "active" sport. Although inactivity was up in 2014, the 209 million "actives" seem to be participating more often and in multiple activities.

*The Sports & Fitness Industry Association (SFIA) Sports, Fitness & Recreational Activities Topline Participation Report 2014* was utilized to evaluate national sport and fitness participatory trends. SFIA is the number one source for sport and fitness research. The study is based on online interviews carried out in January and February of 2015 from nearly 11,000 individuals and households.

NOTE: In 2012, the Sports & Fitness Industry Association (SFIA) came into existence after a two-year strategic review and planning process with a refined mission statement-- "To Promote Sports and Fitness Participation and Industry Vitality". The SFIA was formerly known as the Sporting Goods Manufacturers Association (SGMA).

### 3.3.1 NATIONAL TRENDS IN GENERAL SPORTS

The most heavily participated in sports for 2014 were golf (24.7 million) and basketball (23 million). While both of these activities have seen declining participation levels in recent years, the number of participants for each activity are well above the other activities in the general sports category. The popularity of golf and basketball can be attributed to the ability to compete with relatively small number of participants. Golf also benefits from its wide age segment appeal, and is considered a life-long sport. Basketball's success can also be attributed to the limited amount of equipment needed to participate and the limited space requirements necessary, which make basketball the only traditional sport that can be played at the majority of American dwellings as a drive-way pickup game.

As seen in **Figure 8**, since 2009, squash and other niche sports, like lacrosse and rugby, have seen strong growth. Squash has emerged as the overall fastest growing sport, as it has seen participation levels rise by 100% over the last five years. Based on survey findings from 2009-2014, rugby and lacrosse have also experienced significant growth, increasing by 77% and 73% respectively. Other sports with notable growth in participation over the last five years were field hockey (42.6%), roller hockey (21.7%), ice hockey (20%), gymnastics (16.9%), and cheerleading (12.6%). In the last year, the fastest growing sports were roller hockey (33.7%), squash (12.9%), competition boxing (12.7%), lacrosse (10.9%), and rugby (7.9%). During the last five years, the sports that are most rapidly declining include wrestling (40.3% decrease), touch football (down 32.3%), and racquetball (24.9% decrease).

In terms of total participants, the most popular activities in the general sports category in 2014 include golf (24.7 million), basketball (23 million), tennis (17.9 million), baseball (13.1 million), and outdoor soccer (12.6 million). Although four out of five of these sports have been declining in recent years, the sheer number of participants demands the continued support of these activities.

National Participatory Trends - General Sports					
Activity	Participation Levels			% Change	
	2009	2013	2014	13-14	09-14
Golf	27,103	24,720	24,700	-0.1%	-8.9%
Basketball	25,131	23,669	23,067	-2.5%	-8.2%
Tennis	18,546	17,678	17,904	1.3%	-3.5%
Baseball	14,429	13,284	13,152	-1.0%	-8.9%
Soccer (Outdoor)	13,957	12,726	12,592	-1.1%	-9.8%
Badminton	7,469	7,150	7,176	0.4%	-3.9%
Softball (Slow Pitch)	9,180	6,868	7,077	3.0%	-22.9%
Football, Touch	9,726	7,140	6,586	-7.8%	-32.3%
Volleyball (Court)	7,737	6,433	6,304	-2.0%	-18.5%
Football, Tackle	7,243	6,165	5,978	-3.0%	-17.5%
Football, Flag	6,932	5,610	5,508	-1.8%	-20.5%
Volleyball (Sand/Beach)	4,324	4,769	4,651	-2.5%	7.6%
Gymnastics	3,952	4,972	4,621	-7.1%	16.9%
Soccer (Indoor)	4,825	4,803	4,530	-5.7%	-6.1%
Ultimate Frisbee	4,636	5,077	4,530	-10.8%	-2.3%
Track and Field	4,480	4,071	4,105	0.8%	-8.4%
Racquetball	4,784	3,824	3,594	-6.0%	-24.9%
Cheerleading	3,070	3,235	3,456	6.8%	12.6%
Pickleball	N/A	N/A	2,462	N/A	N/A
Softball (Fast Pitch)	2,476	2,498	2,424	-3.0%	-2.1%
Ice Hockey	2,018	2,393	2,421	1.2%	20.0%
Lacrosse	1,162	1,813	2,011	10.9%	73.1%
Wrestling	3,170	1,829	1,891	3.4%	-40.3%
Roller Hockey	1,427	1,298	1,736	33.7%	21.7%
Squash	796	1,414	1,596	12.9%	100.5%
Field Hockey	1,092	1,474	1,557	5.6%	42.6%
Boxing for Competition	N/A	1,134	1,278	12.7%	N/A
Rugby	720	1,183	1,276	7.9%	77.2%
NOTE: Participation figures are in 000's for the US population ages 6 and over					
	Large Increase (greater than 25%)	Moderate Increase (0% to 25%)	Moderate Decrease (0% to -25%)	Large Decrease (less than -25%)	

Figure 6 - General Sports National Participation Trends



### 3.3.2 NATIONAL TRENDS IN AQUATIC ACTIVITY

Swimming is unquestionably a lifetime sport, and activities in aquatics have remained very popular among Americans. Fitness swimming is the absolute leader in multigenerational appeal with over 25 million reported participants in 2013 (**Figure 9**). NOTE: In 2011, recreational swimming was broken into competition and fitness categories in order to better identify key trends.

Aquatic Exercise has a strong participation base, and has recently experienced an upward trend. Aquatic exercise has paved the way for a less stressful form of physical activity, allowing similar gains and benefits to land based exercise, including aerobic fitness, resistance training, flexibility, and better balance. Doctors have begun recommending aquatic exercise for injury rehabilitation, mature patients, and patients with bone or joint problems due to the significant reduction of stress placed on weight-bearing joints, bones, muscles, and also the effect of the water in reducing swelling of injuries.

National Participatory Trends - Aquatics					
Activity	Participation Levels			% Change	
	2009	2013	2014	13-14	09-14
Swimming (Fitness)	N/A	26,354	25,304	-4.0%	N/A
Aquatic Exercise	8,965	8,483	9,122	7.5%	1.8%
Swimming (Competition)	N/A	2,638	2,710	2.7%	N/A
NOTE: Participation figures are in 000's for the US population ages 6 and over					
	Large Increase (greater than 25%)	Moderate Increase (0% to 25%)	Moderate Decrease (0% to -25%)	Large Decrease (less than -25%)	

Figure 7 - Aquatic Participatory Trends

### 3.3.3 NATIONAL TRENDS IN GENERAL FITNESS

National participatory trends in fitness have experienced some strong growth in recent years. Many of these activities have become popular due to an increased interest among people to improve their health by engaging in an active lifestyle. These activities also have very few barriers to entry, which provides a variety of activities that are relatively inexpensive to participate in and can be performed by nearly anyone with no time restrictions.

The most popular fitness activity by far is fitness walking, which had over 112.5 million participants in 2013, which was a 2.9% increase from the previous year. Other leading fitness activities based on number of participants include running/jogging (51 million), treadmill (50 million), hand weights (42 million), and weight/resistant machines (36 million).

Over the last five years, the activities that grew most rapidly were off-road triathlons (up 123%), road triathlons (up 92%), trail running (up 55%), high impact aerobics (55% increase), and yoga (up 33%). Most recently, from 2013-2014, the largest gains in participation were high impact aerobics (14% increase), trail running (up 11%), and barre (up 10%). See Figure 10.

National Participatory Trends - General Fitness					
Activity	Participation Levels			% Change	
	2009	2013	2014	13-14	09-14
Fitness Walking	110,882	117,351	112,583	-4.1%	1.5%
Running/Jogging	42,511	54,188	51,127	-5.6%	20.3%
Treadmill	50,395	48,166	50,241	4.3%	-0.3%
Free Weights (Hand Weights)	N/A	43,164	41,670	-3.5%	N/A
Weight/Resistant Machines	39,075	36,267	35,841	-1.2%	-8.3%
Stationary Cycling (Recumbent/Upright)	36,215	35,247	35,693	1.3%	-1.4%
Stretching	36,299	36,202	35,624	-1.6%	-1.9%
Free Weights (Dumbbells)	N/A	32,209	30,767	-4.5%	N/A
Elliptical Motion Trainer	25,903	27,119	28,025	3.3%	8.2%
Free Weights (Barbells)	26,595	25,641	25,623	-0.1%	-3.7%
Yoga	18,934	24,310	25,262	3.9%	33.4%
Calisthenics/Bodyweight Exercise	N/A	N/A	22,390	N/A	N/A
Aerobics (High Impact)	12,771	17,323	19,746	14.0%	54.6%
Stair Climbing Machine	13,653	12,642	13,216	4.5%	-3.2%
Pilates Training	8,770	8,069	8,504	5.4%	-3.0%
Stationary Cycling (Group)	6,762	8,309	8,449	1.7%	24.9%
Trail Running	4,845	6,792	7,531	10.9%	55.4%
Cross-Training	N/A	6,911	6,774	-2.0%	N/A
Cardio Kickboxing	5,500	6,311	6,747	6.9%	22.7%
Martial Arts	6,643	5,314	5,364	0.9%	-19.3%
Boxing for Fitness	N/A	5,251	5,113	-2.6%	N/A
Tai Chi	3,315	3,469	3,446	-0.7%	4.0%
Barre	N/A	2,901	3,200	10.3%	N/A
Triathlon (Traditional/Road)	1,148	2,262	2,203	-2.6%	91.9%
Triathlon (Non-Traditional/Off Road)	634	1,390	1,411	1.5%	122.6%
NOTE: Participation figures are in 000's for the US population ages 6 and over					
<b>Legend:</b> <span>Large Increase (greater than 25%)</span> <span>Moderate Increase (0% to 25%)</span> <span>Moderate Decrease (0% to -25%)</span> <span>Large Decrease (less than -25%)</span>					

Figure 8 - General Fitness National Participatory Trends



### 3.3.4 NATIONAL TRENDS IN GENERAL RECREATION

Results from the SFIA's *Topline Participation Report* demonstrate increased popularity among Americans in numerous outdoor recreation activities. Much like the general fitness activities, these activities encourage an active lifestyle, can be performed individually or with a group, and are not limited by time restraints. In 2014, the most popular activities in the outdoor recreation category include road bicycling (40 million), freshwater fishing (38 million), and day hiking (36 million).

From 2009-2014, outdoor recreation activities that have undergone large increases are adventure racing (up 136%), archery (up 33%), backpacking overnight (up 30%), and BMX bicycling (up 27%). Over the same time frame, activities declining most rapidly were in-line roller skating (down 32%), camping within ¼ mile of home or vehicle (down 16%), and recreational vehicle camping (down 14%). See Figure 11.

National Participatory Trends - Outdoor Recreation					
Activity	Participation Levels			% Change	
	2009	2013	2014	13-14	09-14
Bicycling (Road)	39,127	40,888	39,725	-2.8%	1.5%
Fishing (Freshwater)	40,646	37,796	37,821	0.1%	-7.0%
Hiking (Day)	32,542	34,378	36,222	5.4%	11.3%
Camping (< 1/4 Mile of Vehicle/Home)	34,012	29,269	28,660	-2.1%	-15.7%
Wildlife Viewing (>1/4 Mile of Home/Vehicle)	22,702	21,359	21,110	-1.2%	-7.0%
Camping (Recreational Vehicle)	16,977	14,556	14,633	0.5%	-13.8%
Birdwatching (>1/4 mile of Vehicle/Home)	13,847	14,152	13,179	-6.9%	-4.8%
Fishing (Saltwater)	13,054	11,790	11,817	0.2%	-9.5%
Backpacking Overnight	7,757	9,069	10,101	11.4%	30.2%
Archery	6,368	7,647	8,435	10.3%	32.5%
Bicycling (Mountain)	7,367	8,542	8,044	-5.8%	9.2%
Hunting (Shotgun)	8,611	7,894	7,894	0.0%	-8.3%
Skateboarding	7,580	6,350	6,582	3.7%	-13.2%
Roller Skating, In-Line	8,942	6,129	6,061	-1.1%	-32.2%
Fishing (Fly)	5,755	5,878	5,842	-0.6%	1.5%
Climbing (Sport/Indoor/Boulder)	4,541	4,745	4,536	-4.4%	-0.1%
Climbing (Traditional/Ice/Mountaineering)	2,062	2,319	2,457	6.0%	19.2%
Adventure Racing	1,005	2,095	2,368	13.0%	135.6%
Bicycling (BMX)	1,858	2,168	2,350	8.4%	26.5%
NOTE: Participation figures are in 000's for the US population ages 6 and over					
	Large Increase (greater than 25%)	Moderate Increase (0% to 25%)	Moderate Decrease (0% to -25%)	Large Decrease (less than -25%)	

Figure 9 - Outdoor Recreation National Participatory Trends



### 3.3.5 CHULA VISTA SPORT AND MARKET POTENTIAL

The following charts show sport and leisure market potential data from ESRI. A Market Potential Data (MPI) measures the probable demand for a product or service in the City of Chula Vista. The MPI shows the likelihood that an adult resident of the target area will participate in certain activities when compared to the US National average.

The National average is 100, therefore numbers below 100 would represent a lower than average participation rate, and numbers above 100 would represent higher than average participation rate. The service area is compared to the national average in four (4) categories - general sports, fitness, outdoor activity, and money spent on miscellaneous recreation. The city demonstrates above average market potential index numbers in all categories.

As seen in the tables below, the following sport and leisure trends are most prevalent for residents within target area. Cells highlighted in yellow indicate the top three scoring activities for each category based on the purchasing preferences of residents.

#### GENERAL SPORTS MARKET POTENTIAL

City of Chula Vista Participatory Trends - General Sports	
Activity	MPI
Participated in Baseball	117
Participated in Basketball	109
Participated in Football	102
Participated in Golf	92
Participated in Soccer	132
Participated in Softball	105
Participated in Tennis	104
Participated in Volleyball	105

#### FITNESS MARKET POTENTIAL

City of Chula Vista Participatory Trends - Fitness	
Activity	MPI
Participated in Aerobics	104
Participated in Jogging/ Running	112
Participated in Pilates	92
Participated in Swimming	98
Participated in Walking for Exercise	101
Participated in Weight Lifting	107
Participated in Yoga	102



## OUTDOOR ACTIVITY MARKET POTENTIAL

City of Chula Vista Participatory Trends - Outdoor Activity	
Activity	MPI
Participated in Backpacking	104
Participated in Hiking	101
Participated in Bicycling (mountain)	101
Participated in Bicycling (road)	100
Participated in Boating (Power)	82
Participated in Canoeing/Kayaking	73
Participated in Fishing (fresh water)	76
Participated in Fishing (salt water)	102
Participated in Horseback Riding	105

## MONEY SPENT ON MISCELLANEOUS RECREATION

City of Chula Vista Participatory Trends - Money Spent on Recreation	
Activity	MPI
Spent on sports/rec equipment in last 12 mo: \$1-99	96
Spent on sports/rec equipment in last 12 mo: \$100-249	96
Spent on sports/rec equipment in last 12 mo: \$250+	99
Attend sports event	102
Attend sports event: baseball game - MLB reg seas	113
Attend sports event: basketball game (college)	95
Attend sports event: basketball game - NBA reg seas	130
Attend sports event: football game (college)	108
Attend sports event: football game - NFL Mon/Thurs	111
Attend sports event: football game - NFL weekend	109
Attend sports event: high school sports	92
Attend sports event: ice hockey - NHL reg seas	104
Went on overnight camping trip in last 12 months	92
Visited an indoor water park in last 12 months	108
Visited a theme park in last 12 months	134
Went to zoo in last 12 months	110

### 3.4 BENCHMARK ANALYSIS

In order to evaluate how Chula Vista's Recreation Department ranks on spending, revenue generation and fees and charges, the consulting team in collaboration with staff identified comparable (and best practice) agencies and developed a benchmark matrix to be used. The agencies were all based in Southern California and are ones the city often benchmarks against routinely. They included:

- Carlsbad
- Poway
- Escondido
- Oceanside

Staff reached out to these agencies and all data obtained is what was provided by that agency staff. The key findings from the benchmark indicate that Chula Vista charges much lower than all comparable agencies and generates relatively lower revenue overall as well. Additionally, there are minimal differential pricing strategies e.g. resident / non-resident fee or primetime / nonprime fees utilized by Chula Vista.

#### 3.4.1 EXPENSE PER CAPITA

The following chart compares the total operating expenses to the population of the representative city to determine how much each system spends per resident. Chula Vista serves the largest population among benchmark agencies, with just over 250,000 residents within the service area. The Chula Vista Recreation Department spends the least per capita with only \$13.98 per resident. Oceanside comes in a close second, while Escondido, Carlsbad, and Poway are spend much more per person. It must be kept in mind, though, that the other agencies are combined parks and recreation agencies while Chula Vista is not.

Operating Cost Per Capita			
System	City Population	Total Operating Costs	Expense per Capita
Chula Vista	256,780	\$ 3,588,693	\$ 13.98
Carlsbad	110,972	\$ 7,823,575	\$ 70.50
Oceanside	172,794	\$ 2,600,000	\$ 15.05
Escondido	148,738	\$ 4,370,115	\$ 29.38
Poway	49,417	\$ 4,859,223	\$ 98.33



### 3.4.2 REVENUES

The following chart depicts the total revenues for each system, and designates sources of those revenues. Chula Vista does have a wide variety of revenue sources. Despite the fact that Chula Vista has a much larger population served than other agencies in the study, the total revenues of the Recreation Department seem to be lagging behind. There is strong potential to increase revenues from registrations, rentals, and admissions through facility memberships for recreation center (e.g. Montevalle) that reflect the competitive advantage the Recreation Department has in terms of population proportion. More public agencies are also turning to sponsorships, advertising and other earned income sources to supplement tax support and user fees.

Revenues						
System	Registrations	Rentals	Admissions	Sponsorships Advertising Donations	Grants	Total Revenues
Chula Vista	\$ 1,270,437	\$ 672,121	\$ -	\$ 86,310	\$ 49,988	\$ 2,078,856
Carlsbad	\$ 1,454,699	\$ 948,855	\$ 152,619	\$ 117,100	\$ 192,408	\$ 2,865,681
Oceanside	\$ 454,187	\$ 174,705	\$ -	\$ -	\$ -	\$ 628,892
Escondido	\$ 1,037,185	\$ 613,385	\$ 316,125	\$ 38,000	\$ 1,834,465	\$ 3,839,160
Poway	\$ 528,946	\$ 419,917	\$ 102,696	\$ 54,622	\$ -	\$ 1,106,181

\*Chula Vista: sponsorships / advertising / donations include Kaiser

### 3.4.3 REVENUE PER CAPITA

The following chart compares total revenues to the population of the representative city to determine how much revenue is generated per resident. Carlsbad and Escondido are the clear leaders in terms of revenue per capita, with each bringing in over \$26 in revenue per resident, and Poway comes in a close third at over \$22 per capita. Chula Vista brings in less than \$10 per resident with only Oceanside being lower. With comparable fees and charges and an optimal mix of differential pricing, the Department should be positioned to increase revenue per capita and be more financially sustainable.

Revenue Per Capita			
System	City Population	Total Revenues	Revenue per Capita
Chula Vista	256,780	\$ 2,078,856	\$ 8.10
Carlsbad	110,972	\$ 2,865,681	\$ 25.82
Oceanside	172,794	\$ 628,892	\$ 3.64
Escondido	148,738	\$ 3,839,160	\$ 25.81
Poway	49,417	\$ 1,106,181	\$ 22.38

### 3.4.4 COST RECOVERY POLICIES

The following identifies whether each agency has a written cost recovery policy, the date of adoption, and any implementations issues. Chula Vista has some framework in place to build a formal cost recovery policy, which is encouraging because the Recreation Department and staff should have some familiarity with the concept of recovering costs and the benefits it can bring.

Moving forward, the Recreation Department must adopt an updated formal policy that establishes precise recovery levels and goals for the future. Oceanside is the only other agency in the study that has adopted a written policy, but based on the subsequent section pertaining to levels and goals; there is a need for additionally policy-based clarity to drive future decision-making.

Cost Recovery Policies			
System	Written	Date of Adoption	Implementation Issues
Chula Vista	Yes	6/8/2010	Overly general in nature and not clearly communicated to Department, staff, and public; does not adequately convey principles
Carlsbad	No	n/a	n/a
Oceanside	Yes	2012	Community was understanding; due to the economy, the department had to become more self-sustainable
Escondido	No	n/a	n/a
Poway	No	n/a	n/a

\*Chula Vista cost recovery policy is "mid-level" 30-70%

\*Carlsbad does have a site specific cost recovery goal of 100% in two years for the Alga Norte facility

\*Escondido cost recovery is a City Council priority, not tracked within the Recreation Division

### 3.4.5 COST RECOVERY LEVELS AND GOALS

This category shows the cost recovery levels prior to policy implementation, current cost recovery levels, and any future cost recovery goals for each system in the benchmark. Some have cost recovery goals and others do not. In terms of the current levels, Chula Vista is well positioned (57%) among benchmark agencies, and trails only Escondido (88%) in that right. Although it has no formal cost recovery policy, Chula Vista has made great strides in recovering costs following a study conducted in 2009. Determining specific cost recovery goals, and the ability to achieve such goals, will play a critical role in the future success of the Recreation Department. Establishing a formal cost recovery policy with attainable goals will differentiate the Recreation Department from the other benchmark agencies that lack strategic planning and control of cost recovery levels.

Cost Recovery			
System	Prior to Policy Implementation	Current	Future Goal(s)
Chula Vista	47%	57%	TBD
Carlsbad	21%	47%	n/a
Oceanside	n/a	24%	Striving for 100% recovery; all new programs recover costs
Escondido	n/a	88%	City Council has directed the Recreation Division to work towards full cost recovery
Poway	n/a	23%	n/a

\*Carlsbad's prior to policy implementation figure is actually the cost recovery level prior to a "Core Services, Resources Allocation, and Pricing Studies" study conducted in 2009, as no formal cost recovery policy currently exists

\*Escondido cost recovery functions are controlled by City Council. Budget allocations are: 29% General Fund, 50% Recreation, and 21% ASES Grant



### 3.4.6 EMPLOYEES

The following chart shows the number of full-time and part-time employees, the ratio of full-time to part-time employees, and total part-time employees that qualify for Affordable Care for each system. Chula Vista's Recreation Department staff is heavily weighted toward part-time employees, with only one FTE per 11.76 part-time employees. In comparison, Carlsbad, Oceanside, and Poway are much more balanced between full-time and part-time employees, while Escondido has a similar distribution to that of Chula Vista. Poway is the lone agency with a part-time employee qualifying for Affordable Care.

Employees						
System	Population	FTE's (Regular)	Total PT Employees	FTE / PT Ratio	Population Served per FTE	PT Employees Qualified for Affordable Care
Chula Vista	256780	17.00	200.00	1 / 11.76	15105	0
Carlsbad	110972	27.25	66.23	1 / 2.43	4072	0
Oceanside	172794	20.00	45.00	1 / 2.25	8640	0
Escondido	148738	14.00	140.00	1 / 10	10624	0
Poway	49417	24.93	11.00	1 / 0.44	1982	1

\*Escondido has additional 23.5 temp part-time employees

### 3.4.7 CONTRACT INSTRUCTORS

The table below compares the total number of contract instructors for each of the benchmark agencies. Chula Vista has a significantly higher total than other benchmark agencies in terms of contract instructors, although only 56 of them are currently active. The vast amount of contract instructors available is a strength for the Recreation Department, as it is a valuable resource in terms of programming capabilities.

Contract Instructors	
System	Total Contract Instructors
Chula Vista	135
Carlsbad	80
Oceanside	7
Escondido	31
Poway	41

\*Chula Vista: only 56 of the total contract instructors are active

### 3.4.8 DIFFERENTIAL PRICING

The following charts show the various differential pricing strategies for each agency in the benchmark analysis. Chula Vista offers some differential pricing options but they are not consistently applied across all offerings.

Differential Pricing					
System	Resident/ Non-Resident Fee Differential	Age-Based Discounts	Family/ Group Discounts	Prime/ Non-Prime Time Discounts	Co-Sponsored/ Non-Profit/ Private Rental Groups
Chula Vista	X		X		X
Carlsbad	X				X
Oceanside	X				
Escondido		X			X
Poway	X	X	X		X

### 3.4.9 MEMBERSHIPS FOR PROGRAM PARTICIPATION

This section reveals whether each agency offers memberships for program participation and discusses any relevant details of such memberships. Chula Vista and Oceanside are the only systems offering memberships for programming, while Carlsbad offers some gym and aquatics memberships. However, the memberships offered by Chula Vista are limited to fitness centers within a facility e.g. Norman Park Senior Center's fitness facility. It is not a facility wide or program based membership model like best-practice agencies have. Memberships available through agencies in the benchmark study are all tied to either fitness or aquatics.

Memberships for Programs		
System	Memberships for Program Participation	Membership Details
Chula Vista	Yes	Only for fitness "centers" within recreation facilities; monthly and/or quarterly per fitness facility
Carlsbad	No	Department offers gym memberships at the Senior Center and memberships to the Alga Norte Aquatics Complex and Monroe Street Pool
Oceanside	Yes	Senior fitness membership and some aquatic programs
Escondido	No	n/a
Poway	No	n/a



### 3.4.10 ADMINISTRATION FEES

The following chart shows whether each agency charges an administrative fee at registration and describes how that fee is calculated. All systems evaluated assess an additional administrative fee, except for Escondido. Chula Vista, Oceanside, and Poway charge a flat fee for administration, while Carlsbad figures it to be a percentage of the registration.

Administration Fees		
System	Additional Admin Fee at Registration	Details
Chula Vista	Yes	Flat \$6 fee for quarterly classes with contractual instructors; drop-in POS transactions for these classes are exempt
Carlsbad	Yes	5% of total
Oceanside	Yes	Flat \$7 fee for desk registration; online registration subject to surcharge fee
Escondido	No	n/a
Poway	Yes	Flat \$1.50 fee per online transaction to help offset software provider fee

### 3.4.11 SCHOLARSHIPS

This section identifies which systems offer scholarships, and describes the scholarship policies for each of the benchmark agencies. Chula Vista is the lone benchmark system that doesn't currently offer any scholarships for programming. Developing a scholarship program for those in need presents a prime opportunity to increase program participation and provide services to all residents of Chula Vista.

Scholarships		
System	Scholarship Policy	Policy Details
Chula Vista	No	n/a
Carlsbad	Yes	Opportunity grants of up to \$150/child to participate in recreation programs. Available to children under age 17 that reside in Carlsbad that meet low-income household requirements.
Oceanside	Yes	Families can qualify for up to \$150/year, depending on income and number of people residing in household.
Escondido	Yes	Reduced program fee for children of families residing in Escondido that meet HUD guidelines for low/moderate income.
Poway	Yes	Scholarship of \$40/child/season (max \$160/yr) for children from households meeting income requirements.

### 3.4.12 PLAYFIELDS

This section compares the number of playfields and playfield acreage within each system, along with the number of total number of people served per playfield. Chula Vista's total number of playfields is slightly higher than Carlsbad, and is almost more than Oceanside, Escondido, and Poway combined. Chula Vista averages approximately one acre per playfield, which is much smaller than the average size for other agencies reporting acreage figures. In terms of population served per playfield, Chula Vista demonstrates a superior level of service, and trails only Carlsbad and Poway in that aspect. The recommended level of service for playfields is one youth playfield per 5,000 users or one adult playfield per 7,000 users.



Playfields				
System	Number of Playfields	Playfield Acreage	City Population	Population Served per Playfield
Chula Vista	86	88	256,780	2,986
Carlsbad	76	354	110,972	1,460
Oceanside	37	142	172,794	4,670
Escondido	33	n/a	148,738	4,507
Poway	17	19.88	49,417	2,907

\*Oceanside: a private group is building 22 soccer fields on city land that will be 100% privatized

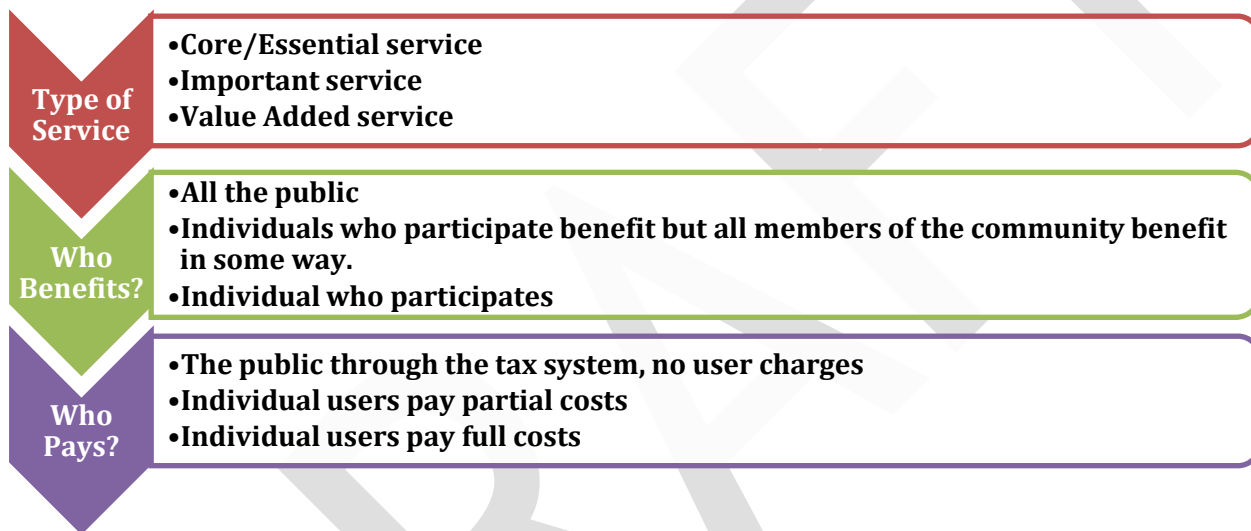


## Chapter Four CLASSIFICATION OF SERVICES

### 4.1 FOUNDATIONAL CONCEPTS

Classifying services is an important process for an agency to follow in order to remain aligned with the community's interests and needs, the mission of the organization, and to sustainably operate within the bounds of the financial resources that support it. The criteria utilized and recommended in service classification stems from the concept's foundation detailed by Dr. John Crompton and Dr. Charles Lamb, two Texas A & M University professors with extensive expertise in marketing strategies for public recreation and park agencies.

In their publication, Marketing Government and Social Services, they purport that programs should be evaluated on the criteria of type of service provided, who benefits, and who bears the cost of the program. This concept is illustrated below:



The approach taken in this cost recovery project expands classifying services in the following ways:

- For whom the program is targeted
- For what purpose
- For what benefits
- For what cost
- For what outcome

## 4.2 PARAMETERS FOR CLASSIFYING SERVICE TYPES

The first milestone in this project was to develop a classification system for the services and functions of Recreation Department that reflect the obligations of the entire department, support functions performed, and the value-added services that enrich both the visitor experience and generate earned revenues in mission-aligned ways to help support operating costs.

The results of this process is a summary of classification definitions and criteria, recommended classification of services within the Chula Vista system for Recreation Department, and a recommended range of cost recovery for each service based on these assumptions.

Program and service classification is important as financial performance (cost recovery) goals are established for each category of services. These classifications should be aligned with the existing cost recovery levels identified in the Cost of Service model listed in the previous section and then organized to correspond with cost recovery expectations defined for each category.

## 4.3 SERVICE CLASSIFICATION PROCESS

The service classification process consisted of the following steps:

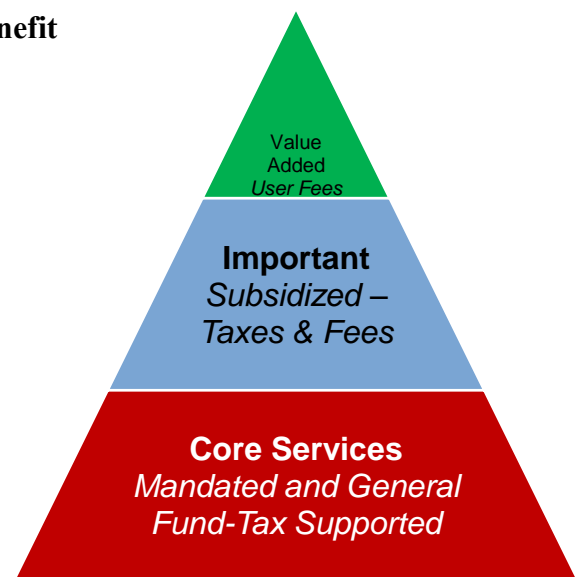
1. Confirm the definition for each classification of service that fits the expectations of the Recreation Department, their ability to meet public needs within the appropriate areas of service, and the mission and core values of the community and the respective areas.
2. Develop criteria that can be used to evaluate each service and function within Chula Vista Recreation, and determine the classification that is defensible and logical.
3. Establish a range of cost recovery that can be attributed to each area listed within the service classifications which can then serve as a target for staff to work towards achieving through a combination of reduced costs as well as revenues from fees and charges and creative earned income sources.

This was an iterative process with the PROS Consulting team and staff commencing the process in a work session and then refining it through internal discussions until there was consensus on the same. The classifications are not meant to be set in stone. Evaluate them annually to ensure congruence with mission and values as well as the existing financial situation and cost recovery goals.

**Individual Benefit**



**Broad Public Benefit**



#### 4.3.1 SERVICE CLASSIFICATION DESCRIPTIONS

The service classification matrix below was used in the process described in the previous section. This conceptual framework served as a guide to follow when classifying services and for how that program needs to be managed with regard to cost recovery.

Establishing clarification of what constitutes a “Core Essential Service”, “Important Service”, and “Value Added Service” will provide the Recreation Department and its stakeholders a better understanding of why and how to manage each program area as it applies to public value and private value. Additionally, the effectiveness of the criteria linked to performance management expectations relies on the true cost of programs (direct and indirect cost) being identified.

Where a program falls within this matrix can help to determine the most appropriate cost recovery rate or a range that should be pursued and measured. This includes being able to determine what level of public benefit and private benefit exists as they apply to each program area. Public benefit is described as, “everyone receives the same level of benefit with equal access”. Private benefit is described as, “the user receives exclusive benefit above what a general taxpayer receives for their personal benefit”.

CORE ESSENTIAL SERVICES	IMPORTANT SERVICES	VALUE ADDED SERVICES
High Public Expectation	High Public Expectation	High Individual and Interest Group Expectation
Free, Nominal or Fee Tailored to Public Needs  Requires Public Funding	Fees Cover Some Direct Costs  Requires a Balance of Public Funding and a Cost Recovery Target	Fees Cover Most Direct and Indirect Costs  Some Public Funding as Appropriate
Substantial Public Benefit (negative consequence if not provided)	Public and Individual Benefit	Primarily Individual Benefit
Limited or No Alternative Providers	Alternative Providers Unable to Meet Demand or Need	Alternative Providers Readily Available
Open Access by All	Open Access / Limited Access to Specific Users	Limited Access to Specific Users

#### 4.3.2 CHULA VISTA RECREATION DEPARTMENT SERVICE CLASSIFICATION MATRIX

Using this process from Section 5.3.1, the Recreation Department staff in conjunction with the PROS Consulting team developed the classification of services based on the community values and their mission. This classification is provided in section 5.3.2.

These classifications are the basis for future pricing policy decisions and desired cost recovery goals for individual areas. Best practice agencies usually have elected leadership approve these classifications while staff implements fees and charges and revenue strategies to meet the cost recovery goals required for the approved classifications. It is recommended that these classifications be evaluated every one to two years to ensure alignment with community values and the established cost recovery goals.

	0% -30%	31% -70%	71% or higher
Program/Service	Must Offer	Should Offer	Nice to Offer
Adult Health & Fitness Programs - Intro level(include Martial Arts)		Yes	
Adult Health & Fitness Programs - Adv level(include Martial Arts)			Yes
Adult Instructional Classes - Intro (include Dance)			Yes
Adult Instructional Classes - Adv (include Dance)			Yes
Adult Sports Leagues			Yes
Adult Sports Tournaments			Yes
Adult Learn to Swim		Yes	
Aquatics- Intro. Instructional Levels (Pre-school through LTS)	Yes		
Aquatics- Adv. Instructional Levels (Pre-school through LTS)		Yes	
Aqua Fun & Fit (Fitness Programs)			Yes
Aqua Therapy		Yes	
Community Fun Run - (Fundraiser)			Yes
Critical Hour Programming (Free Afterschool Program for youth)	Yes		
CV WARN Program (Water awareness residential neighborhoods)	Yes		
Mixed Use Drop-in/Open Play (Other than Critical Hours) - Youth and Adult		Yes	
Elementary Learn to Swim (ELTS) - Grant Fund		Yes	
Empower Hour (grant funded after-school program in the parks)	Yes		
Enrichment/Specialty Camps			Yes
First Aid/CPR/AED Training		Yes	
Fitness Center Memberships			Yes
Facility Rentals (Non-resident/Commercial)			Yes
Facility Rentals (Resident/Non-profits)		Yes	
Inclusion Services (ADA)	Yes		
Junior Lifeguard Program			Yes
Lap Swim		Yes	
Lifeguard Training		Yes	
Master's Swim Team (Adult)			Yes
Pre-school Programs**		Yes	
Private/Semi-private Swim Lessons			Yes
Recreational Swim	Yes		



	0% -30%	31% -70%	71% or higher
Program/Service	Must Offer	Should Offer	Nice to Offer
Senior Health & Fitness Programs (intro.)	Yes		
Senior Health & Fitness Programs (adv.)			Yes
Senior Programs (Instructional - intro.)	Yes		
Senior Programs (Instructional - adv.)			Yes
Senior Programs (Support Services through partnerships - free programs)		Yes	
Special Events (Department e.g Easter Egg Hunt)	Yes		
Special Events (Partners)		Yes	
Teen Diversionary Activities (6-9 pm)	Yes		
Teen Programming (intro)		Yes	
Teen Programming (advanced / camps etc.)			Yes
Excursions			Yes
Therapeutic Programs & Camps		Yes	
Tiny Tot Program		Yes	
Youth Day & Sports Camps			Yes
Youth Instructional Classes - Intro. (Music, Language, Performance, Dance)		Yes	
Youth Instructional Classes - Adv. (Music, Language, Performance, Dance)			Yes
Youth Health & Fitness Programs (including Martial Arts) - Intro		Yes	
Youth Health & Fitness Programs (including Martial Arts) - Adv.			Yes
Youth Sports Council Field Use & Support		Yes	
Youth Sports Instruction		Yes	
Youth Sports Leagues		Yes	
Youth Swim Team			Yes
Youth Sports Tournaments			Yes

## Chapter Five COST OF SERVICE ANALYSIS

The cost-of-service analysis summarizes Chula Vista's Recreation financial information to understand the cost per unit of service or activity, depending on the particular function.

Financial and participation (service unit) data were provided by Chula Vista's Recreation and Public Works staff. Departmental financial data were also supplemented with City cost allocation plan data which identifies each department's share of the cost for City support services. Additionally, costs for utilities such as water were also included for park amenities such as picnic shelters etc. The City support services costs were subsequently attributed to each division and program.

The direct cost recovery represents the revenues divided by direct program expenditures which would depict the highest level of cost recovery. With every additional level of cost (e.g. Department overhead costs, City overhead) added, the overall cost recovery percentage would continue to decrease. However, this comprehensive structure is the most accurate reflection of 'true' costs of providing the service and the proportion of costs recovered.

### 5.1 COST OF SERVICE ANALYSIS PROCESS

The illustration below depicts the cost of service analysis and allocation process that was followed in this project.



### 5.2 GOAL OF THE COST OF SERVICE ANALYSIS MODEL

It is understood that this model was the first step in identifying the most accurate cost accounting structure and thus, knowing the true cost of offering a program or a service. It is quite common to see agencies that may not have every single level of costs available and, thus, the model helps make valid assumptions to fill the gaps and help staff ensure they can capture those costs moving forward.

The key to the model's success in Chula Vista to continue to update it and refine it as they move forward. That would include ensure accurate units of participation, updating costs at all levels (direct, indirect and overheads) and tying those to cost recovery goals based on the service classifications agreed to by the City Council.



### 5.3 SUMMARY OF INITIAL COST OF SERVICE

Given below is a sample of summary costs extracted from the Cost of Service model. As can be seen, the true cost recovery including Direct Costs, Department Administration and City-wide overhead is around 61%. The entire model is a dynamic excel based model available with the staff in order to continue updates and check for trend data over time.

As seen from the service classification section in Chapter 4, all Adult Sports Leagues and Sports Tournaments are established as value-added programs which are expected to have a cost recovery goal of 71% or higher. In addition, per the benchmark analysis in Chapter 3, Chula Vista's fees are also lower in comparison to most, if not all, the other benchmarked agencies.

Thus, the combination of existing cost recovery, proposed service classification (and its associated cost recovery goal) and benchmarked fee and charges data are the factors used in determining future fees and charges recommended in Chapter 7.

#### Chapter Six PRICING POLICY

PROGRAM AREA CLASSIFICATION		Value Added	Value Added	Value Added	Value Added	Value Added
PROGRAM CATEGORY	Adult Sports	Adult Sports	Adult Sports	Adult Sports	Adult Sports	Adult Sports
PROGRAM CATEGORY	SUMMARY	Adult Sports Leagues (only includes Adult Softball)	Adult Softball (8-week session)	Adult Basketball Monteville Gym	Adult Basketball Parkway Gym	Adult Golf
Revenues	184,115	117,450	24,750	20,520	20,520	875
Expenditures:						
Total Program Costs	172,814	115,037	20,415	18,668	18,244	450
Department Administration	112,257	74,726	13,261	12,126	11,851	292
City-Wide Overhead	19,030	12,668	2,248	2,056	2,009	50
Total Expenditures	304,101	202,431	35,924	32,850	32,104	792
Revenues Over (Under) Expenditures	(\$119,986)	(\$84,981)	(\$11,174)	(\$12,330)	(\$11,584)	\$83
Cost Recovery						
Direct Program Cost Recovery	107%	102%	121%	110%	112%	194%
Program Cost Recovery with Department Overhead	65%	62%	73%	67%	68%	118%
Total Cost Recovery with City overhead	61%	58%	69%	62%	64%	110%



## 6.1 PRICING PHILOSOPHY AND POLICY

The proposed pricing policy would include the following:

1. A proposed philosophy that focuses on exclusivity for a user and the level of benefit (individual versus community benefit) received.
2. A structure that sets fees and charges to recover true cost of service but with resident discounts
3. A consistent implementation of fees and charges based on prime (peak) time and non-prime (non peak) times
4. Standardized policies and procedures including cancellation windows, reservation policies etc.

To gain and provide consistency among the City leadership, the Commission, user groups, staff, and the community, a philosophical revenue and pricing foundation must be implemented. As changes in pricing strategy and philosophy are implemented, it would be helpful for the staff to incorporate the following five steps in their approach:

### 6.1.1 PRICE SERVICES TO THE BENEFITS RECEIVED

Using the classification matrix, continue to price services based on the benefits received to help offset operating costs. This approach will provide a fair method to distribute resources to the largest number of users of the system and would be helpful for the Recreation Department to prepare for future changes in government funding that may result as agencies in California and nationwide respond to the new normal of fiscal realities.

### 6.1.2 PRICE SERVICES BASED ON COST RECOVERY GOALS WITH PRICING FLEXIBILITY

Pricing based on meeting established cost recovery goals will provide a defensible approach to help staff justify their decision making and ensure community and leadership buy-in for a process that is objective and process-driven versus one that may seem more subjective and personality-driven.

### 6.1.3 PROVIDE USERS' OPTIONS THROUGH DIFFERENTIAL PRICING

Citizen options into pricing of services allow users to pick and choose what components of the service they want to buy and allow staff to provide a tiered range of service offerings. This approach is helpful in the establishment of multi-tiered pricing and includes allowing users to pick and choose what level of quality or quantity they want and will pay for accordingly.

Differential pricing options would encourage users to move to a classification that best fits their schedule and price point. These pricing options provide opportunities for staff to maximize utilization and revenue generation for their rentals and program offerings. These pricing options include some that Chula Vista currently offers and some others that could be evaluated by staff for future offerings.

• Primetime	• Incentive Pricing
• Non-primetime	• Length of Stay Pricing
• Season and Off-season Rates	• Cost Recovery Goal Pricing
• Multi-tiered Program Pricing	• Level of Exclusivity Pricing
• Group Discounting and Packaging	• Age Segment Pricing
• Volume Pricing	



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#### 6.1.4 UTILIZE COST ACCOUNTING

The Recreation Department staff will need to continue developing the activity-based costing process that includes direct, indirect (and where possible, overhead) costs for the future. This will determine the cost per experience and level of contribution before the actual pricing of the product or service. An activity based costing process will facilitate efficient decision-making in determining the best method to price the program, activity, rental or service in the most cost effective manner as well as identify programs that may not be able to meet their cost recovery goals as outlined in the program classification matrix. This is an effective process but requires appropriate resources to support data collection, analysis and reporting.

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#### 6.1.5 COMMUNICATE TRUE COSTS TO ALL USERS

In all cases, especially when planning a price change, communicating the true costs of a service or program to all users helps increase their understanding of the value received. Often, users believe that the price or fee they pay accounts for the entire cost of that offering. Marketing and communicating to convey the benefits received and the level of contribution by the City will help aid the users' understanding of the price changes implemented.

Example: The price of your program or service covers the individual benefit associated with the service such as materials and supplies, consumptive goods, exclusive use of the facility, and non-mission related staffing costs associated with providing the service. Recreation Department or this specific program achieves a "\_\_\_\_" recovery rate of the cost to provide services primarily through user fees, while the City's General Fund covers the remainder.

The fees and charges schedule recommended in this report should be periodically reviewed and updated as needed based on the changes that have occurred within the offerings provided. This will help the staff to evaluate which offerings should be adjusted based on the pricing policy or cost recovery goals and also communicate the rationale behind the changes to the users.

## Chapter Seven RECOMMENDATIONS

These recommendations are guidelines for the city leadership and the Recreation department to follow. It is important to keep a flexible approach as it applies to implementation of the recommendations. Consistent measurement and tracking as well as on-going communication with the community will be critical to ensure buy-in for the process.

The recommendations are based on the following:

- Community input from public meetings
- 1200+ online and print survey responses in English and Spanish obtained from every recreation facility
- Comparable information from benchmarked sources
- Available direct, indirect and overhead cost data supplemented by staff assumptions
- Parks and Recreation Commission input
- Iterative staff feedback across multiple City departments
- Consultant's operational experiences and nationwide best practices

### 7.1 RECOMMENDATION #1- INCORPORATE PROGRAM BASED PRICING PHILOSOPHY BASED ON EXCLUSIVITY AND LEVELS OF BENEFIT

It is recommended City leadership to adopt pricing philosophy based on **exclusivity** and **levels of individual versus community benefit**. The staff has already developed a comprehensive program classification matrix that categorizes all current offerings in one of the three categories based on the above mentioned variables.

- This philosophy ensures core programs have highest level of general fund subsidy while value-added programs have lowest level of general fund subsidy and proposed the following range of cost recovery goals for the program areas that fall in each category.
  - Core Programs (0% - 30% cost recovery)
  - Important Programs (31% - 70% cost recovery)
  - Value-Added Programs (71% - 100% cost recovery)

### 7.2 RECOMMENDATION #2 – OFFER BASE PRICES AND RESIDENT DISCOUNTS

Create a base fee structure for all offerings and rentals with Discounts for residents and non-profits in Chula Vista. Thus, the Recreation Department and Public Works Department (charges for picnic shelters) would institute a higher base fee for offerings and services but residents (upon proving proof of residency and non-profit tax ID) would get a resident discount. See below for the definitions of those terms.

Fee Terminology	
<b>Resident</b>	Resides within City of Chula Vista and other zip code specific groups (e.g. Bonita)
<b>Non-Profit</b>	Organizations based in Chula Vista (not just PO Box). "Nonprofit organization" means an organization organized or incorporated for educational, civic, charitable, religious or cultural purposes, having a bona fide membership, when proceeds, if any, arising from its activities are used for the purposes of such organization and may not be used for the individual benefit of the membership of such organization.



Groups are required to submit form with State of California Non-profit Tax ID number

### 7.3 RECOMMENDATION #3 – DIFFERENTIAL PRICING FOR PRIME TIME / NON-PRIME TIME

Establish differential and tiered pricing structures for all offerings. First component of this should be pricing based on timing e.g. time of day, weekday versus weekend and regular weekends versus holiday weekends.

This is an established practice in the all walks of life be it travel or events and even the public sector, especially golf courses routinely implement this as it applies to twilight or late evening hours versus regular day time hours. It is a great way to manage facility capacity utilization and provide incentives for people who have flexibility in times to access facilities, programs or rentals when they are typically underutilized.

The chart here depicts the established prime times (peak) and non-prime times (non-peak) by core categories.

	<b>Super Prime Time (Prime Time + 25% )</b>	<b>Prime Time</b>	<b>Non-Prime Time</b>
<b>Facilities</b>	Holiday Weekends	5pm – close (Mon – Fri) / Saturday all day	M-F during the day Sunday all day
<b>Pools</b>	Holiday Weekends	Before 9am and 5pm – close (Mon – Fri) / Saturday all day	M-F during the day Sunday all day
<b>Picnic Shelters</b>	Holiday Weekends	Weekend (Fri-Sun)	Weekday (M-Th)
<b>Fields</b>	Holiday Weekends	5pm – close (Mon-Fri) / Weekends	M-F during the day

#### Fee Tiers

Based on the resident discount and prime time versus non-prime time, the consulting team and staff determined the following approach towards tiered fees and charges as well as resident discounts.

#### **Fee Tiers (Programs)**

Base Fees: Any Non Resident Use + During Prime Time = Base Fee (or 100% of actual fee established)

Discount Fees: Any Resident Use + During Prime Time or Any Non-Resident Use + Non-Prime = 75% of Base Fee  
**Fee Tiers (Field, Facility Use, Picnic Shelter Rentals)**

Base Fees: Any Non Resident Use + During Prime Time = Base Fee (or 100% of actual fee established)

Discount Fees: Any Resident Use + During Prime Time or Any Non-Resident Use + Non-Prime = 75% of Base Fee

Super Discount Fees: Any Resident Use + During Non-Prime = 50% of Base Fee

**E.g. Field Rentals**

- ☐ Current \$25 / hour (unlit) ; \$40 / hour (lit)
- ☐ Base Fees - \$50 / hour (unlit) ; \$80 / hour (lit); For Non-residents 5pm - close on Monday-Friday and Saturday all day
- ☐ Discounted Fee - \$37.50 (\$38) / hour (unlit); \$60 / hour (lit) For Residents 5pm - close on Monday-Friday and Saturday all day; Non- Residents during the day before 5pm Monday-Friday and Sunday all day.
- ☐ Super Discount Fees - \$25 / hour (unlit); \$40 / hour (lit); For Residents during the day before 5pm Monday-Friday and Sunday all day.

#### 7.4 – RECOMMENDATION #4 – ANNUALLY UPDATE COST OF SERVICE MODEL

Continue to track indirect and overhead costs (including custodial, park maintenance etc.) to identify true cost of offering a service. Annually update the model with data captured during the year and communicate the cost of service to the staff and users on an on-going basis.

#### 7.5 RECOMMENDATION #5 - PLAN FOR LONG-TERM CAPITAL IMPROVEMENT AND DEFERRED MAINTENANCE

A large number of existing parks and facilities as well as amenities in the facilities are the aging and at the end of their lifecycles. While the asset lifecycle replacement study will provide clarity on future needs, ensuring a pricing structure that supports long term capital improvement and deferred maintenance will be critical as the population served by the city increases, and consequently, so does the demand for parks and recreation offerings.

#### 7.6 RECOMMENDATION #6 – SEEK NON-TRADITIONAL FUNDING SOURCES

More and more parks and recreation agencies are looking to partnerships and creative revenue generating sources as a means to ensure long-term financial sustainability without burdening the existing user base. Update the City policy, as needed, to include new earned income options as a way to ensure greater financial sustainability.

The following are some creative sources of revenue that agencies nationwide have been successfully pursuing in recent times. For a detailed list of all funding and revenue strategies based on staff discussions of implementation risk and implementation feasibility, please see the Appendix.

- **Sponsorships**

These are typically cash or in-kind fees paid to an agency by a brand or a business in exchange for being able to promote their brand or business through the agency's offerings (e.g. programs, events or



facilities). The City of Dallas recently had a partnership with the Naked Juice Brand for promoting Naked Coconut Water at one of their park sites / walking and biking lanes.

(e.g. City of Roseville, CA: Sponsorships for the Utility Exploration Center)

<https://www.roseville.ca.us/explore/sponsorships.asp>

- **Naming Rights**

These are a types of advertising where a brand or a business paid a fee to be able to name a venue, park or facility or even an event for a period of years. This can vary from 3-20 years and is a very common practice in the private sector but is also getting more prevalent in the public sector as well.

(Lewisville, TX - Toyota of Lewisville Railroad Park)

<http://www.cityoflewisville.com/index.aspx?page=538>

- **Crowd-funding**

It is the collection of funds to sustain an initiative from a large pool of backers—the "crowd"—usually made online by means of a web platform. The initiative could be a nonprofit campaign (e.g. to raise funds for a school or social service organization), a philanthropic campaign (e.g. for emergency funds for an ill person or to produce an emerging artist), a commercial campaign (e.g. to create and sell a new product) or a financing campaign for a public agency (capital projects or program / operations related e.g. printing costs for all marketing materials)

Crowdfunding models involve a variety of participants. They include the people or organizations that propose the ideas and/or projects to be funded, and the crowd of people who support the proposals. Crowdfunding is then supported by an organization (the "platform") which brings together the project initiator and the crowd. Given below are two examples of the most popular platforms that are currently out there.

- [www.Fundyourpark.org](http://www.Fundyourpark.org) - Started by the National Recreation and Park Association (NRPA) specifically focused on parks and recreation agencies and crowdfunding their needs for programs and amenities in their communities.
- [www.Kickstarter.com](http://www.Kickstarter.com)
  - The Mountair Park Community Farm to build urban farms in unused City Park Space  
<https://www.kickstarter.com/projects/1255067972/growing-in-the-city-the-mountair-park-community-fa?ref=live>
  - Marketing Support for creating Outdoor Recreation Map  
<https://www.kickstarter.com/projects/403262169/outdoor-recreation-map-of-the-bob-marshall-wildern?ref=live>
- [www.Razoo.com](http://www.Razoo.com)
  - After-School Programs for Environmental Education <http://www.razoo.com/story/Feel-Good-About-Contributing-To-Urban-Sprouts>
  - Local Community Theater Support Group <http://www.razoo.com/story/Team-Wang>
  - Community-Led Design Project <http://www.razoo.com/story/Hsc-Board-Match-Challenge>

## 7.7 PROPOSED FEES AND CHARGES

Based on the current cost recovery rates, the service classification philosophy and cost recovery goals as well as the differential pricing tiers mentioned below, the following are the proposed processes, consistently implementable policies, base fees, charges and resident discounts for the fee schedule.

Consistency in Policy / Process	Implementation
<b>Rentals / Facility Use Permits</b>	21 days cancellation notice required
<b>Rental Fee Payment</b>	Payment in full, 21 days prior to event date
<b>Reservation and Damage Deposit</b>	\$250 refundable if all conditions are met
<b>Cancellation Fee</b>	\$100 if cancelled 21 or more days prior to event date. Cancellations made less than 21 days of event day will get no refunds.
<b>Custodial Fee</b>	Weekend (Friday-Sunday) and holiday rentals to include \$60 non-refundable at all facilities (with opportunity for annual COLA)
<b>Parks Event Cleaning Fee</b>	\$60 non-refundable at all parks / fields (with opportunity for annual COLA)
<b>Alcohol Permit fee</b>	\$150 non-refundable
<b>Field prep (per field / rental)</b>	\$75



## 7.7.1 AQUATIC PROGRAM FEES

Swim Lessons	Base	Resident Discount
<i>(NR - / R )</i>	<i>NR</i>	<i>R</i>
	<b>100%</b>	<b>75%</b>
Summer: Learn to Swim	\$55	\$41.25
Summer: Tiny Tots Swimming	\$55	\$41.25
Summer: Parents & Tots Swimming	\$55	\$41.25
Spring-Fall: Learn to Swim	\$45	\$33.75
Spring-Fall: Tiny Tots Swimming	\$45	\$33.75
Spring-Fall: Parents & Tots Swimming	\$50	\$37.50
Adult Lessons	\$65	\$48.75
Private Lessons (hourly)	\$70	\$52.50

Pool Passes	Base	Resident Discount
<u>Daily Admission Fee</u>	<i>NR</i>	<i>R</i>
Senior (55+)	\$5.00	\$3.75
Adult	\$6.00	\$4.50
Child (3-17 yrs)	\$4.00	\$3.00
Infant (6 mos- 3 yrs)	Free with adult	
<u>Ten Swim Pass</u>		
Senior (55+)	\$38	\$28.13
Adult	\$45	\$33.75
Child (3-17 yrs)	\$30	\$22.50
<u>Twenty Swim Pass</u>		
Senior (55+)	\$75	\$56.25
Adult	\$90	\$67.50
Child (3-17 yrs)	\$60	\$45.00

## 7.7.2 USE PERMIT – OTHER FACILITIES

Fitness Centers (quarterly fee for 12 week session)	Base	Resident Discount
	<i>NR</i>	<i>R</i>
	<b>100%</b>	<b>75%</b>
<u>Otay and Salt Creek Fitness Centers</u>		
Base	\$60	\$45



<b>Daily Rate</b>	<b>\$6</b>	<b>\$5</b>
<b><u>Norman Park Senior Center</u></b>		
<b>Daily Rate</b>	<b>\$6</b>	<b>\$5</b>
<b>Base (quarterly)</b>	<b>\$60</b>	<b>\$45</b>
<b>Base (monthly)</b>	<b>\$20</b>	<b>\$15</b>



Swimming Pools, Rental, per hour	Base	Resident Discount
Shared use	\$90	\$68
Exclusive use	\$135	\$101
Swim Lane Rentals (per lane)	\$20	\$15
<b>Swimming Pools, Other Charges</b>		
<u>Equipment charges</u>		
Fee per day, per team	\$3	
Maximum monthly fee per team	\$25	
<b>Swimming Pool, Cancellation Fee</b>		
Recreation office must be notified of cancellation a minimum of <b>21 days</b> prior to scheduled time for swimming pool rental. Failure to do so will result in assessment cancellation fee.		
Cancellation Fee	\$100	
Rental Deposit	\$250	

## 7.7.3 USE PERMITS – OTHER CHARGES

Use Permits – Other Charges	Base	Resident Discount
<i>(NR - Non.Res / PT - Prime Time / R - Resident / NPT - Non Prime Time)</i>	<i>NR</i>	<i>R</i>
<i>Prime Time = Before 9am and 5pm - close (M-F) / Saturday - All; Non-Prime Time = M-F during the day / Sunday all day</i>	<b>100%</b>	<b>75%</b>
<b>1 Cancellation Fee</b>		
Recreation office must be notified of cancellation a minimum of <b>21 days</b> prior to scheduled time for activity. Failure to do so will result in forfeiture of the fee. Applies to General Facilities- Use Permit rentals only.		
<b>Required Deposits</b>	<b>Proposed</b>	
Cleaning/damage deposit	\$250	
<b>Alcoholic beverages (if permitted)</b>		
Additional deposit	Eliminate	
Non-refundable alcohol use fee	\$150	
Non-resident surcharge does not apply to deposit.		
<b>3. Custodial Fee, per rental</b>	<b>Proposed</b>	
All Centers and Facilities	\$60	



## 7.7.4 PICNIC SHELTERS

Picnic Shelters	Base	Resident Discount	Super-Discount
<i>(NR - Non.Res / PT - Prime Time / R - Resident / NPT - Non Prime Time)</i>	<i>NR + PT</i>	<i>R + PT <u>or</u> NR + NPT</i>	<i>R + NPT</i>
<b>Prime Time = Weekends; Non-Prime Time = Weekdays</b>	<b>100%</b>	<b>75%</b>	<b>50%</b>
Small Shelter	Base	Resident Discount	Super-Discount
<b>Hourly (min. 3 hour slots)</b>			
Maximum group size	50		
Reservation fee, hourly	\$10	\$7.50	\$5
Security deposit (refundable)	\$40	\$25	
Cleaning Fee	\$25		
<b>Medium Shelter</b>			
Maximum group size	100		
Reservation fee, hourly	\$40	\$30.00	\$20
Security deposit (refundable)	\$160		
Cleaning Fee	\$40		
<b>Large Shelter</b>			
Maximum group size	200		
Reservation fee, hourly	\$80	\$60.00	\$40
Security deposit (refundable)	\$320		
Cleaning Fee	\$80		
Commercial vendor permit, all shelters	\$150		
Cancellation fee, all shelter reservations		Cancel more than 21 days in advance to get a 50% refund; less than that or full forfeiture except for weather conditions. Security deposit refunded on all cancellations.	

## 7.7.5 BALL FIELDS

Ball Fields	Base	Resident Discount	Super-Discount
<i>(NR - Non.Res / PT - Prime Time / R - Resident / NPT - Non Prime Time)</i>	<i>NR + PT</i>	<i>R + PT <u>or</u> NR + NPT</i>	<i>R + NPT</i>
<i>Prime Time = 5pm – close (Monday – Friday) / Weekends; Non-Prime Time = M-F during the day</i>	<b>100%</b>	<b>75%</b>	<b>50%</b>
<b>Lighted field, per hour</b>			
<b>Reservation fee, full field</b>	\$60	\$45	\$30
<b>Youth Sports Council, regular season</b>	\$20	\$15	\$10
<b>Unlighted field, per hour</b>			
<b>Reservation fee, full field</b>	\$36	\$27	\$18
<b>Youth Sports Council, regular season</b>	\$10	\$7.50	\$5
<i>(current charge = \$11 / team / allocation for non-lighted fields)</i>			
<b>Cancellation fee, all field reservations</b>		Cancel more than 21 days in advance to get a 50% refund; less than that or full forfeiture except for weather conditions. Damage deposit refunded on all cancellation.	
<b>Field prep / field / prep</b>	\$75		



## 7.7.6 FIELD USE

Field Use	Base	Resident Discount	Super-Discount
<i>(NR - Non.Res / PT - Prime Time / R - Resident / NPT - Non Prime Time)</i>	<i>NR + PT</i>	<i>R + PT <u>or</u> NR + NPT</i>	<i>R + NPT</i>
<b>Prime Time = Before 9am and 5pm - close (M-F) / Saturday - All; Non Prime Time = M-F during the day / Sunday all day</b>	<b>100%</b>	<b>75%</b>	<b>50%</b>
<b>Tournament Field Use Fee</b>			
<b>Mt. San Miguel Park (multiple fields)</b>			
Unlighted field use, per hour	\$120		
Lighted field use, per use	\$175		
Field prep per rental	\$75		
Tournament rental rates include initial ball field preparation, on-site staff and on-site concession operator. Tournament rental of Mt. San Miguel Park requires a 6 hour per day minimum rental.			
Contract Class Split	65% / 35%		
<b>Special Equipment for Private Parties in City Parks</b>			
Commercial Vendor Permit	\$150		
For Profit Business Offering	\$150		

## 7.7.7 FACILITY FEE SCHEDULE – PER HOUR

Facility Fee Schedule – Per Hour	Base	Resident Discount	Super-Discount
<i>(NR - Non.Res / PT - Prime Time / R - Resident / NPT - Non Prime Time)</i>	<i>NR + PT</i>	<i>R + PT <u>or</u> NR + NPT</i>	<i>R + NPT</i>
<i>Prime Time = Before 9am and 5pm - close (M-F) / Saturday - All; Non Prime Time = M-F during the day / Sunday all day</i>	<b>100%</b>	<b>75%</b>	<b>50%</b>
<b>Parkway Community Center</b>			
Small Gym	\$120	\$90	\$60
Classroom	\$60	\$45	\$30
Dance room	\$60	\$45	\$30
Kitchen facilities	\$25	\$19	\$13
Game room	\$50	\$38	\$25
Parkway Gymnasium	\$140	\$105	\$70
<b>Heritage Community Center</b>			
Auditorium/Main Hall	\$120	\$90	\$60
Outdoor/stage	\$120	\$90	\$60
Craft room	\$75	\$56	\$38
Kitchen facilities	\$25	\$19	\$13
<b>Norman Park Senior Center</b>			
Cornell Hall - full	\$240	\$180	\$120
Cornell Hall - half	\$120	\$90	\$60
Game room	\$50	\$38	\$25
Conference room	\$60	\$45	\$30
Kitchen facilities	\$25	\$19	\$13
<b>Loma Verde Recreation Center</b>			
Auditorium/Main Hall	\$120	\$90	\$60
Classroom	\$60	\$45	\$30
Dance room	\$75	\$56	\$38
Kitchen facilities	\$25	\$19	\$13
Game room	\$50	\$38	\$25
<b>Other Recreation Facilities</b>			
Chula Vista Women's Club	\$120	\$90	\$60
Memorial Bowl (2 hr minimum)	\$150	\$113	\$75
<b>Otay Recreation Center</b>			
Gymnasium	\$120	\$90	\$60
Classroom	\$60	\$45	\$30
Game room	\$50	\$38	\$25
Patio	\$55	\$41	\$28



Facility Fee Schedule – Per Hour	Base	Resident Discount	Super-Discount
<i>(NR - Non.Res / PT - Prime Time / R - Resident / NPT - Non Prime Time)</i>	<i>NR + PT</i>	<i>R + PT <u>or</u> NR + NPT</i>	<i>R + NPT</i>
<b>Prime Time = Before 9am and 5pm - close (M-F) / Saturday - All; Non Prime Time = M-F during the day / Sunday all day</b>	<b>100%</b>	<b>75%</b>	<b>50%</b>
<b>Salt Creek Center</b>			
Gymnasium – full	\$140	\$105	\$70
Gymnasium – half	\$85	\$64	\$43
<b>Multipurpose rooms:</b>			
~Full (includes kitchen and patio use)	\$180	\$135	\$90
~Half with kitchen	\$90	\$68	\$45
Exterior patio only	\$130	\$98	\$65
Outdoor basketball court	\$55	\$41	\$28
Tennis Court	\$50	\$38	\$25
Soccer Arena	\$110	\$83	\$55
Game room	\$50	\$38	\$25
<b>Monteville Center</b>			
Gymnasium – full	\$140	\$105	\$70
Gymnasium – half	\$85	\$64	\$43
<b>Multipurpose rooms:</b>			
~North	\$125	\$94	\$63
~South	\$125	\$94	\$63
~Middle	\$85	\$64	\$43
~2 room combo	\$160	\$120	\$80
~3 room combo	\$210	\$158	\$105
Craft room	\$90	\$68	\$45
Dance room	\$90	\$68	\$45
Outdoor basketball court	\$55	\$41	\$28
Tennis court	\$55	\$41	\$28
Game room	\$50	\$38	\$25



Facility Fee Schedule – Per Hour	Base	Resident Discount	Super-Discount
<i>(NR - Non.Res / PT - Prime Time / R - Resident / NPT - Non Prime Time)</i>	<i>NR + PT</i>	<i>R + PT <u>or</u> NR + NPT</i>	<i>R + NPT</i>
<i>Prime Time = Before 9am and 5pm - close (M-F) / Saturday - All; Non-Prime Time = M-F during the day / Sunday all day</i>	<b>100%</b>	<b>75%</b>	<b>50%</b>
<b>Veterans Center</b>			
Gymnasium – full	\$140	\$105	\$70
Gymnasium – half	\$85	\$64	\$43
Outdoor basketball court	\$55	\$41	\$28
Annex	\$160	\$120	\$80
<b>Multipurpose rooms:</b>			
~Full	\$180	\$135	\$90
~Half	\$80	\$60	\$40
~Half with kitchen	\$95	\$71	\$48
Dance room	\$90	\$68	\$45
Game room	\$50	\$38	\$25
<b>Sunset View Park</b>			
Roller hockey facility	\$105	\$79	\$53



## Chapter Eight CONCLUSION

The key to a successful plan and philosophy centers on knowing the true costs to produce a service or product and using a having a consistent process in place to manage, expand or eliminate offerings based on community values and financial goals. The expectation is not that the plan is perfect from the start but that it is realistic and dynamic, thus allowing the staff to continue using and updating it over time.

Pricing of services is a dynamic process and, even though, any change is always a hard process. The Recreation Department is headed by staff considered among the leaders in the profession state-wide and nationally and it is important for the city leadership to support the staff in introducing a consistent and sustainable process for the future. Additionally, the pursuit of earned income dollars should continue to be



emphasized and support and training should be provided to staff to make it successful and achieve the desired results.

The recommendations outlined have been built keeping in mind the growing and diverse population, the socio-economic realities of Chula Vista as well as, in light of the economic distress over the last few years, the need to ensure long-term financial sustainability.

Lastly, a successful plan implementation requires a focused persistence but also warrants patience in implementing, tracking and modifying strategies based on their success or failure. It is important to bear in mind that this plan is meant to be a guideline that helps elevate the level of performance demonstrated by the Recreation Department and to provide a structure and a philosophy that can be employed to drive long-term financial sustainability.

Supportive leadership and trained staff who all buy into the collective vision and consistently communicate that to all users will be the key to ensuring that the Recreation Department meets the community needs in a financially sustainable manner for years to come.

## Chapter Nine APPENDIX

The following charts show type of funding strategy, descriptions for each strategy, feasibility and risk of implementation, where funds will be allocated towards along with some staff comments.

### 9.1.1 CAPITAL FEES

Funding Strategy	Funding Description	Implementation Feasibility	Implementation Risk	Use of Funds	Comments
<b>Capital Fees</b>	Capital fees are added to the cost of revenue producing facilities such as golf courses, pools, recreation centers, hospitality centers and sports complexes and are lifted off after the improvement is paid off.	Low	Low		
<b>Dedication/Development Fees</b>	These fees are assessed for the development of residential properties with the proceeds to be used for parks and recreation purposes, such as open space acquisitions, community park site development, neighborhood park development, regional park acquisition and development, etc.	High	Medium		Going through the PAD fees / Developers building turnkey parks - projects
<b>Impact Fees</b>	These fees are on top of the set user rate for accessing facilities such as golf courses, recreation centers and pool facilities to support capital improvements that benefit the user of the facility.	Medium	Medium	Capital	Tie it back to user feedback ensuring dollars are spent on facility specific infrastructure issues
<b>Mello Roos District</b>	Fees for a specific purpose with an election approving district and fees by 2/3 majority	High	Low	Capital	Already being done in the City

### 9.1.2 GRANTS

Funding Strategy	Funding Description	Implementation Feasibility	Implementation Risk	Use of Funds	Comments
<b>CDBG Funding</b>	Funding received in accordance with the Community Development Block Grant (CDBG) Programs national objectives as established by the U.S Department of Housing and Urban Development. Funding may be applied to such programs as Infrastructure Improvements, Public Facility and Park Improvements, Human Service Enhancements, Lead-Based Paint Education and Reduction, Housing Education Assistance, and Economic Development and Anti-poverty strategies.	High	Medium	O&M	Keeps changing and not predictable for the future. For Norman Park Senior Center Operational hours and Therapeutic Recreation Programs.
<b>Land Trust</b>	Many systems have developed land trusts to help secure and fund the cost for acquiring land that needs to be preserved and protected for greenway purposes. This could be a good source to look to for acquisition of future lands.	Low	Low		



## 9.1.3 EXTERNAL FUNDING

Funding Strategy	Funding Description	Implementation		Use of Funds	Comments
		Feasibility	Risk		
<b>Corporate Sponsorships</b> (created park donation policy / foundation )	This revenue-funding source allows corporations to invest in the development or enhancement of new or existing facilities in park systems. Sponsorships are also highly used for programs and events.	High	Low	O&M or Capital	Consider for Dog Parks but in an inobtrusive way
<b>Crowdfunding</b>	Fairly new web-based source which aggregates funds from a group of people who are willing to support a specific project, be it program related or facility related. Some sites that successfully do that are <a href="http://www.kickstarter.org">www.kickstarter.org</a> and <a href="http://www.razoo.com">www.razoo.com</a> etc.	High	Low	O&M or Capital	Determine appropriate programs / capital updates
<b>Partnerships</b>	Partnerships are joint development funding sources or operational funding sources between two separate agencies, such as two government entities, a non-profit and a City department, or a private business and a City agency. Two partners jointly develop revenue producing park and recreation facilities and share risk, operational costs, responsibilities and asset management, based on the strengths and weaknesses of each partner.	High	Medium	O&M or Capital	Uncertainty for multi-year partnerships already budgeted for
<b>Foundations/Gifts</b>	These dollars are raised from tax-exempt, non-profit organizations established with private donations in promotion of specific causes, activities, or issues. They offer a variety of means to fund capital projects, including capital campaigns, gifts catalogs, fundraisers, endowments, sales of items, etc.	Low	High	Select	Not enough internal capacity to focus on Foundations / Gifts
<b>Private Donations</b>	Private Donations may also be received in the form of funds, land, facilities, recreation equipment, art or in-kind services. Donations from local and regional businesses as sponsors for events or facilities should be pursued.	Low	Low	Select	
<b>Friends Groups</b>	These groups are formed to raise money typically for a single focus purpose that could include a park facility or program that will better the community as a whole and their special interest.	High	Low	O&M or Capital	Similar to the Library and Police, to focus on O&M and Capital opportunities
<b>Irrevocable Remainder Trusts</b>	These trusts are set up with individuals who typically have more than a million dollars in wealth. They will leave a portion of their wealth to the city in a trust fund that allows the fund to grow over a period of time and then is available for the city to use a portion of the interest to support specific park and recreation facilities or programs that are designated by the trustee.	Low	Low	Select	
<b>Volunteerism</b>	The revenue source is an indirect revenue source in that persons donate time to assist the department in providing a product or service on an hourly basis. This reduces the city's cost in providing the service plus it builds advocacy into the system.	High	Medium	O&M	The Department has a large number of volunteers across multiple programs. They are also tracked through Vologistics software system in Human Resources.
<b>Special Fundraisers</b>	Many park and recreation agencies have special fundraisers on an annual basis to help cover specific programs and capital projects.	Medium	Medium	O&M or Capital	Amateur Golf Tournament;

## 9.1.4 USER FEES

Funding Strategy	Funding Description	Implementation Feasibility	Implementation Risk	Use of Funds	Comments
Recreation Service Fees	This is a dedicated user fee, which can be established by a local ordinance or other government procedures for the purpose of constructing and maintaining recreation facilities. The fee can apply to all organized activities, which require a reservation of some type or other purposes, as defined by the local government. Examples of such activities include adult basketball, volleyball, tennis, and softball leagues, youth baseball, soccer, football and softball leagues, and special interest classes. The fee allows participants an opportunity to contribute toward the upkeep of the facilities being used.	Low	High	Select	Focus on across the board impact fee not just targeting organized groups
Fees/Charges	The Department must position its fees and charges to be market-driven and based on both public and private facilities. The potential outcome of revenue generation is consistent with national trends relating to public park and recreation agencies, which generate an average 35% to 50% of operating expenditures.	Select	Select	Select	In the works already
Ticket Sales/Admissions	This revenue source is on accessing facilities for self-directed activities such as pools, ice skating rinks, ballparks and entertainment facilities. These user fees help offset operational costs.	Select	Select	Select	N/A
Permits (Special Use Permits)	These special permits allow individuals to use specific park property for financial gain. The city either receives a set amount of money or a percentage of the gross service that is being provided.	High	Medium	O&M or Capital	Currently in place system-wide
Reservations	This revenue source comes from the right to reserve specific public property for a set amount of time. The reservation rates are usually set and apply to group picnic shelters, meeting rooms for weddings, reunions and outings or other types of facilities for special activities.	High	Low	O&M	Needs to be consistent and reflect the exclusivity it provides
Equipment Rental	The revenue source is available on the rental of equipment such as tables, chairs, tents, stages, bicycles, roller blades, boogie boards, etc. that are used for recreation purposes.	High	Low	O&M	Pools do that



### 9.1.5 TAX SUPPORT

Funding Strategy	Funding Description	Implementation Feasibility	Implementation Risk	Use of Funds	Comments
<b>Property Taxes</b>	Ad valorem taxes on real property	High	Medium		
<b>Lighting and Landscape District</b>	Special property owner approved assessment	High	Low		Evaluating creating a maintenance District; eastside park Stylus Park - developer responsible for 50% of the maintenance / annually
<b>Hotel, Motel and Restaurant Tax</b>	Tax based on gross receipts from charges and meal services, which may be used to build and operate sports fields, regional parks, golf courses, tennis courts, and other special park and recreation facilities.	Low	Low	Capital	Could evaluate for future eastside development / hotels
<b>Special Improvement District/Benefit District</b>	Taxing districts established to provide funds for certain types of improvements that benefit a specific group of affected properties. Improvements may include landscaping, the erection of fountains, and acquisition of art, and supplemental services for improvement and promotion, including recreation and cultural enhancements.	Low	Medium		
<b>Sales Tax</b>	This existing revenue source has been very successful in funding the park system in Frisco, TX. This tax is very popular in high traffic tourism type cities and with county and state parks.				
<b>Food and Beverage Tax</b>	The tax is usually associated with convention and tourism bureaus. However, since parks and recreation agencies manage many of the tourism attractions, they receive a portion of this funding source for operational or capital expenses.	Medium	Medium		Evaluate potential for Bayfront Convention Center to be built
<b>Public Improvement District (PID)</b>	New developments can establish a Public Improvement District (PID) when authorized by the City Council and legally set up according to state law. This taxing district provides funds especially for the operation and maintenance of public amenities such as parks and major boulevards.				

## 9.1.6 FRANCHISES AND LICENSES

Funding Strategy	Funding Description	Implementation Feasibility	Implementation Risk	Use of Funds	Comments
Catering Permits and Services	This is a license to allow caterers to work in the park system on a permit basis with a set fee or a percentage of food sales returning to the city. Also many cities have their own catering service and receive a percentage of dollars off the sale of their food.				
Pouring Rights	Private soft drink companies that execute agreements with the City for exclusive pouring rights within park facilities. A portion of the gross sales goes back to the City. The City of Westfield, IN just signed a 10 year, \$2 million pouring rights deal at their sports complex with Pepsi.	High	Medium		Potential to consider for future sports complex development
Concession Management	Concession management is from retail sales or rentals of soft goods, hard goods, or consumable items. The city either contracts for the service or receives a set amount of the gross percentage or the full revenue dollars that incorporates a profit after expenses.				
Private Concessionaires	Contract with a private business to provide and operate desirable recreational activities financed, constructed and operated by the private sector, with additional compensation paid to the City.	High	Low		Very minimal but with future development could be a viable opportunity; especially if alcohol sales are factored in
Greenway Utility	Greenway utilities are used to finance acquisition of greenways and development of the greenways by selling the development rights underground for the fiber optic types of businesses.				
Naming Rights	Many cities and counties have turned to selling the naming rights for new buildings or renovation of existing buildings and parks for the development cost associated with the improvement.	High	Medium	Capital	Evaluate potential for existing facilities / youth sports etc.
Private Developers	These developers lease space from City-owned land through a subordinate lease that pays out a set dollar amount plus a percentage of gross dollars for recreation enhancements. These could include a golf course, marina, restaurants, driving ranges, sports complexes, equestrian facilities, recreation centers and ice arenas.	High	Medium	Capital	
Easements	This revenue source is available when the city allows utility companies, businesses or individuals to develop some type of an improvement above ground or below ground on their property for a set period of time and a set dollar amount to be received by the city on an annual basis.				
Advertising Sales	This revenue source is for the sale of tasteful and appropriate advertising on park and recreation related items such as in the city's program guide, on scoreboards, dasher boards and other visible products or services that are consumable or permanent that exposes the product or service to many people.	High	Low		Package with sponsorships naming rights all together
Interlocal Agreements	Contractual relationships entered into between two or more local units of government and/or between a local unit of government and a non-profit organization for the joint usage/development of sports fields, regional parks, or other facilities.				



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